The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, NOVEMBER 23, 1935 VOLUME 74, NUMBER 12

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9⅛	4¼	—	Adams Express	⅛	9½
149	110	4.00	American Can	148	147¼
29	20¼	0.40	Amer. Cyanamid "B"	28⅞	29¼
9¼	2	—	American & For. Power	7¼	7⅞
42	14	—	American & Foreign Pwr. $7 pfd.	31½	32¾
21	10⅛	—	American Radiator & S.S.	21	21¼
149⅛	98⅞	9.00	American Tel. & Tel.	149¼	151¼
107	72½	5.00	American Tobacco "B"	107	106¾
20¾	7⅛	—	American Waterworks	20¾	21⅝
23⅛	8	—	Anaconda Copper	23	24⅛
57½	35¾	2.00	Atchison, T. & S. Fe	52¼	53¼
44⅛	15	—	Auburn	26¾	36⅛
18	7½	—	Baltimore & Ohio	15¼	15⅛
50⅛	21⅝	—	Bethlehem Steel	49⅝	51¼
16¼	6½	—	Boeing Airplane Co.,	18¾	13¾
18⅝	8⅝	—	Canadian Pacific Railway	11⅞	12
110⅛	45¾	—	Case, J. I.	109½	110
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160 AVENUE EDWARD VII.——SHANGHAI

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 74 | Shanghai, China, Saturday, November 23, 1935 | Number 12

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.,; F. K. CHAO, Business Dept.

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WHY WASHINGTON GOT ITS CHINA NEWS REPORTS FROM TOKYO

THERE was a brief *Reuters* message from Washington published in the Shanghai newspapers on Wednesday of this week which we hope received the attention of all Chinese officials, but particularly those who were responsible for the recent censoring of messages pertaining to the situation in North China. In order that the significance of the message may be realized we reprint it in full herewith:

Washington, Nov. 19.

It is believed that official circles here are inclined to regard the latest developments in North China with as much concern as they did the events leading to the establishment of Manchukuo.

High officials of the Administration studied with much attention *reports on the subject from Tokyo*, but declined to offer any comment.—REUTERS AMERICAN SERVICE.

We italicised the words in the second paragraph of the message in order to emphasize the fact that high officials of the American government apparently were compelled to depend upon reports from Tokyo for their information regarding recent stirring events in North China. The reason for this is not difficult to find because it was due entirely to the suppression of messages filed at the Shanghai cable and radio offices intended for publication in the newspapers of the United States. Just who or what interest in China was responsible for this situation is not known, but a censorship which had become lax in recent months was suddenly revived when the Japanese started their activities in connection with the creation of the so-called "North-China Autonomous Administration of the Republic of China," or whatever it is they call the new puppet state they are creating in the North. The fact the censorship was clamped down on all messages filed here for transmission abroad almost simultaneously with the beginning of the Japanese moves in the North indicated Japanese military responsibility, but the indivuals who applied the censorship were Chinese stationed in the various cable and radio offices. They refused to state the source of their instructions, but with unanimity deserving a better cause they delayed, suppressed entirely or deleted

sentences and paragraphs from messages filed by foreign correspondents to such an extent that the large American newspapers and press associations were compelled to obtain their news from correspondents stationed in Tokyo, thus enabling the Japanese to put their interpretation upon developments of tremendous importance to the Chinese Government and Chinese people.

Previous mention has been made of the fact that the official censors who function in Shanghai do not dare enter the office of the Japanese government cable which is used to carry Japanese news reports to Tokyo. As a result the Japanese newspaper correspondents and military intelligence officers have a free hand to send uncensored reports to Tokyo—where the said reports are picked up and wired abroad by correspondents stationed in the Japanese capital. In view of this situation China's action in suppressing the reports of the foreign correspondents stationed here had the effect of transferring the news center from China to Japan. In consequence correspondents here who obtained their information from Chinese sources were prevented from dispatching messages abroad which undoubtedly would have made China's case better understood.

As a result high officials in Washington, probably including the President of the United States, were compelled to obtain their information regarding developments in China, not from Chinese sources, but from newspaper dispatches from Tokyo, Japan. Interference with news dispatches sent from China by American and European correspondents is directly responsible for the increasing difficulty of newspaper readers abroad to understand what is going on in this part of the world.

IS MANCHUKUO A CLOSED ISSUE "FOR ANY PREDICTABLE TIME"?

WILLIAM Henry Chamberlin, for more than a decade one of the best known newspaper correspondents in Russia, is now stationed in Japan. He contributed an article entitled "Japan's Stake on Empire," to the November issue of *Asia Magazine*. Aside from his regular correspondence which appears in the *Christian Science Monitor*, this article probably is the first he has written for a magazine since his arrival in the Island Empire, hence has special interest for that reason. Since much of Mr. Chamberlin's article was devoted to Japanese military and economic activities in Manchuria it was not without significance that he declared, "The establishment of Manchukuo as a virtual protectorate seems to be a closed question, at least for any predictable future." Preceding this was a paragraph listing the items of Japan's program: (1) development of Manchukuo as a storehouse of raw materials and outlet for Japanese administrative and commercial activity and possibly, in the future, for a part of Japan's surplus agricultural population; (2) the establishment of a position of unchallenged supremacy in China, accompanied by the upbuilding of political influence and control in varying degrees in different parts of the country; (3), a systematic drive for the markets of the world, in an effort to provide full-time employment for Japanese capital and labor.

While China and the world generally are more or less familiar with the reasons cited for Japan's seizure of China's four northeastern provinces, Mr. Chamberlin's statement that the establishment of Manchukuo as a virtual Japanese protectorate "seems to be a closed question, at least for any predictable future," is not without significance, particularly in China where a considerable number of politically conscious people do not agree that the Manchurian issue is a "closed question." But it is of much value that these politically conscious Chinese and a considerable number of others, particularly of the younger generations, should know that the impression is growing in the world that Japan's possession of Manchuria is a closed question. Frank H. Simonds, one of the best known political writers in the United States recently made a somewhat similar statement in the course of an article in the *Saturday Evening Post*, to the general effect that Japan had solved her major economic problems *by the conquest of Manchuria*. Of course, Japan has not solved her economic problems by the seizure of Manchuria; on the contrary she probably has greatly increased them. But the important element evidenced in Chamberlin's as well as Simonds' statement was the apparent conviction held by both that Manchuria is a closed issue; that Japan's control of that extensive section of China's domain is a settled fact. Mr. Chamberlin, in further reference to Japanese investments in the puppet state, said, "Of course, in one sense Japanese business firms are not exporting their capital when they invest it in Manchukuo. . . . The very strong element of Japanese political control is certainly a factor to be reckoned with in this connection." A further indication of the prevailing impression that Japanese control of Manchuria is permanent!

But, unfortunately for China's peace of mind, Mr. Chamberlin did not stop with Manchuria. Referring to the stirring events in North China last summer he declared, "It is useless to review the details of such events; but the result of the army pressure has been the virtual extinction of the authority of Nanking north of the Yellow River. An area inhabited by some ninety million people, embracing the provinces of Shantung, Hopei, Shansi, Chahar and Suiyuan, has been given a status something between that of the out-and-out Japanese protectorate, Manchukuo and that existing in Central China, where Japanese influence is certainly strong but where Chinese administrative sovereignty, in the main, has been officially preserved."

Since writing his article in *Asia* Mr. Chamberlin has traveled extensively in China and it would be interesting to know whether he had changed his views on the permanency of Japanese control in the North. One wonders, for example, whether Mr. Chamberlin happened to see a small

pamphlet recently issued by Hu Han-min, leader of an influential group in the South, who apparently does not consider the Manchurian question closed. Answering the question, "How can the Far Eastern muddle be solved," Mr. Hu offered the following principles:

1—Japan must dissolve the bogus "Manchukuo" regime and return the four Northeastern provinces to China.
2—The Open Door Poilcy shall be the guiding principle in the development of Manchuria.
3—Japan's forcible establishment of economic enterprises beyond the scope and authority of Sino-Japanese treaties shall be settled and administered by a joint Sino-Japanese Commission which shall decide all questions in a spirit of fairness in consultation with one another.
4—The customs and salt revenues of Manchuria and Jehol shall remain an integral part of the Chinese Maritime Customs and the Salt Gabelle, and a portion of these revenues shall continue to be earmarked for repayment of foreign loans in conformity with procedure previous to the Japanese invasion.
5—China's joint ownership of the Chinese-Eastern Railway remains a fait accompli notwithstanding Russia's illegal sale of this railway to Japan, since the stipulations of the Sino-Russian Agreement of 1924 are still binding.
6—Japan must abandon her designs on China's tetrritory and all special privileges must be stripped of their political implications and become purely commercial in nature.
7—Soviet Russia must stop all her attempts at Sovietization of China and abandon her territorial designs.
8—Soviet Russia must dissolve the puppet regime in Outer Mongolia and abolish all restrictions in Outer Mongolia and Sinkiang having their object the exclusion of others.

In concluding his declaration, made public at the beginning of the Fifth National Kuomintang Congress, Hu Han-ming, former head of the National Legislative Yuan, declared that the solution of the Far Eastern problem is contained in the Nine-Power Treaty which was signed by the Powers, including Japan, at the Washington Conference in 1921-1922. Mr. Hu also expressed full approval of the doctrines of former Secretary of States Stimson, as expressed in Stimson's letter to Senator Borah on Feb. 26, 1932, written at the time when Japanese artillery and air-bombers were raining death and destruction in the Chinese administered sections of Shanghai. Mr. Hu quoted the following paragraph from Mr. Stimson's letter.

"The signatories and adherents of the Nine-Power Treaty rightly felt that the orderly and peaceful development of the 400,000,000 people inhabiting China was necessary to the peaceful welfare of the entire world and that no program for the welfare of the world as a whole could afford to neglect the welfare and protection of China....The recent events which have taken place in China, especially the hostilities which, having begun in Manchuria, have latterly extended to Shanghai, far from indicating the advisability of any modification of the treaties we have been discussing, have tended to bring home the vital importance of the faithful observance of the covenants therein to all the nations interested in the Far East... Our Government, as one of the leading Powers on the Pacific Ocean....is prepared to make that our policy for the future."

While Hu Han-min is not now in power the fact that his program is being openly circulated would seem to indicate that these views are also held by a considerable number of people and if this is true it means that the Manchurian Question is not a closed issue. As a matter of fact it doesn't make so much difference what outsiders think on the Manchuria issue so long as the Chinese people themselves keep their thoughts straight on this fundamental issue which involves the future destiny of their country. Also, it is well to remember that a somewhat similar sentiment was once expressed regarding Japan's control of Shantung province, a control which, considering that Japan was the successor of German interests in Shantung, had a much better legal basis than Japan's present occupancy of Manchuria. But Japan was compelled to relinquish Shantung after an occupancy of eight years, despite the fact that her control had been ratified by the Versailles Treaty. In the case of Manchuria, Japan has now been in occupation but four years and, in contrast to the situation which prevailed with respect to Shantung, China now has the advantage of world sentiment on her side.

SOVIETS TO GET LOAN FROM BRITAIN —ROUBLE TO BE STABILIZED

IMPORTANT developments have taken place during the week in connection with Soviet finance, both externally and internally. It seems to be fairly established that the negotiations between the Soviet Government and British financiers have reached the stage where there is a fair prospect of a loan for a large sum being floated in the London market with the Treasury's guarantee, paying six to seven percent interest, while the holders of the loan would only receive three percent, the difference in the interest rates to be applied to amortization of Russian pre-war debts. The proposed loan would be bound up with a plan to have the Soviet Government recognize at least part of the old Czarist debts, or at least contribute toward the interest due on them as mentioned above. One of the results of the negotiations for the loan has been that there has been a rise in the London market in the price of the old Czarist loans. The improved financial relations with Russia are reflected in the news from London that negotiations are proceeding with a view to extending the present credit facilities by England to Russia beyond the date of expiry, March next.

The support given to the Soviets by British capital falls in with the same plan that the British have evolved in China, namely that the extending of financial support to the Nanking Government will prove a much more effective bulwark against future aggression on the part of the Japanese Army clique than mere military or naval moves would.

The reports as to the steps which had been taken to put the rouble on a more stable basis are conflicting, but sufficient has transpired to show that the Soviet Government feels that it has progressed sufficiently on its economic path to warrant a change from the hitherto existing conditions. The Soviet financial structure has in the last year or two been enormously strengthened by the

development of the gold mining industry. The first reports were that the rouble had been tied up with the American dollar at the rate of five roubles to one U.S. dollar. Later reports, and the more likely to be correct, were that the rouble will be stabilized in relation to the French gold franc, the ratio being three roubles to a franc. Under the new valuation a franc will be taken to be of a value of thirty-three and-a-third kopecks. The present rate of calculation is one franc to seven and a half kopecks. This matter of the valuation of the rouble in relation to francs (or the American dollar) is of particular interest to travellers by the Siberian railway. According to present indications the change will mean a lowering in the fares calculated in the Chinese dollar or any other non-Russian currency. But the advantage may be nullified by an increase in the railway rate, the basis of which is the rouble. However, any change in the status of the rouble will be welcomed by persons of non-Soviet nationality, as under the conditions that have existed during the past several years the "foreigner" was very decidedly discriminated against.

The change in the status of the rouble will take place January 1. Another important change in the Soviet system was announced Nov. 15 when the Council of People's Commissars of the U.S.S.R. decided to liquidate, as from February 1, 1936 the organization of "Torgsin" and transfer its trade network to the People's Commissariat of Home Trade. At the same time, "Intourist" was instructed to discontinue, as from January 1, 1936, trading and rendering any kind of service for foreign currency in the territory of the U.S.S.R.

CENTRAL BANK OF CHINA "BULLETIN" DISCUSSES CHINA'S FINANCE

ANY one who is at all interested in the financial and economic life of China is earnestly recommended to obtain a copy of the *Bulletin* of the Central Bank of China (No. 2, Sept. 1935), the 142 pages of which are packed with a lucid exposition of this subject from the pens of experts.

In a discussion of China's Financial Progress, Dr. H. H. Kung, Vice President of the Executive Yuan and concurrently Minister of Finance, states that despite manifold and unusual difficulties, the Government has made steady progress in financial development, as it has steadfastly bent its efforts toward the establishment of sound and stable finances. Given a reasonable period of peace and order and the return of more normal economic conditions, Dr. Kung expresses the opinion that much greater strides in financial progress may be expected. During recent years circumstances have made it necessary for the Government to devote a great part of its attention to meeting immediate needs; from now on, the Government intends to direct a major portion of its efforts to economic reconstruction.

Jian H. Chen, Deputy Governor of the Central Bank of China, in an article describing the organization and management of the Bank says the Bank is organized upon the basis of three separate powers, namely the legislative function, governed by the board of directors; the supervisory function, discharged by the supervisory council and the executive function, performed by the Governor and two deputy governors. In his inauguration speech, T. V. Soong, the first governor, emphasized that the policy of the Central Bank is aimed mainly at three points, namely, the uniformity of currency throughout the country, the unification of government depositories, and the readjustment of domestic finance. He also laid stress on the principle that a state bank should aim at the general welfare of the people instead of profit-making. The ultimate aim of the bank is to be a bankers' bank.

Y. L. Foo, director of the economic research department of the Central Bank of China, discussing "An Index of Production in China," says that owing to the lack of statistics in most Chinese isdustries, the present index of production consists of only five industries, namely, cigarettes, cotton yarn, flour, matches and cement. The statistics of production of these industries have been made available by the recent imposition of the consolidated tax on them and the appointment of a Government official for the collection of the tax as well as statistics from each of the factories producing these commodities.

Y. S. Tsao, discussing "The Tendency Towards Centralization of Chinese Banking" says that at this time of economic reconstruction for the nation, China requires all the funds for its numerous undertakings, so it is peculiarly unfortunate that the affairs of the world should be such as to drain money from China. This, of course, was written before China nationalized silver.

Gea L. Chen discusses "How to Improve China's Rural Credit." He makes the important observation that the unhealthy symptom in China's rural credit system does not lie in the supposed over-burden of debts on the part of the farming populace, but rather in the unsoundness of the rural credit institutions. A brief history of savings institutions in China is contributed by L. Y. Shen. The documentary materials include the following: The Sino-French Trade Accord; Laws Governing the Central Bank of China; Regulations for the Registration of Banks; Bye-laws for the Enforcement of Bank Registration Regulations; Savings Bank Law; and Standard Silver Coinage Law. The text is also give of a Finance Report by the Ministry of Finance. There are also many statistical tables.

Space does not permit an adequate summary of the material in the *Bulletin* but as mentioned at the outset *The Review* highly recommends the volume to all who want authoritative information on China's economics and finances. The *Bulletin* is published by the Economic Research Department of the Central Bank of China, 15 The Bund, Shanghai.

Conspiracies and Frame-Ups in the Nakayama Case

CONSPIRACIES and frame-ups have always figured prominently in the arsenals of diplomats and their foreign offices, more especially in the case of countries embarked upon ambitious plans of empire building and territorial aggrandizement. The Japanese Foreign Office, and its representatives in China, have perhaps made more repeated and extensive use of this weapon in modern times, at least insofar as China is concerned, than has been the case with the foreign offices and diplomats of any other country. In the murder of Hideo Nakayama, Japanese marine, who was shot and killed on Darroch Road in the night of November 9, the elements both of conspiracy and frame-up have entered, the latter almost from the moment when the murder was perpetrated.

It became clear at the outset that the local Japanese diplomatic officials, in conjuction with the Japanese Special Naval Landing Party, intended to make the fullest possible use of the murder to bring pressure to bear upon the Nanking authorities in connection with the Fifth National Congress of the Kuomintang. The Japanese aim has been to raise a state of wild alarm, and thus to scare the Congress into sanctioning a policy favorable to Japan.

A brief recital of the events which followed the killing of Nakayama will suffice to indicate quite clearly, assuming that the murder was not instigated by the Japanese themselves, that the latter made the greatest possible use of the happening, just as they did in the case of the strange disappearance of vice-Consul Kurumoto in Nanking some months ago. The only known eye-witness of the killing, a Chinese employed in a shoe-maker's shop in the vicinity, declared that the murderer was dressed in clothing similar to that worn by Nakayama himself. If true, this would mean that Nakayama was killed by a fellow member of the Japanese Special Naval Landing Party.

Immediately this assertion had been made, however, it was branded as a lie by the local Japanese authorities, notwithstanding the fact that no other eye-witnesses of the shooting had been discovered. Determined to disprove the wide-spread belief, based upon the first reports of the happening, that the murderer of Nakayama was a Japanese, the Japanese Special Naval Landing Party promptly laid hands on a Chinese alleyway sweep, Kuo Ah-ling, who worked close to the scene of the murder, and conveyed him to their barracks on Kiangwan Road, where he was detained for several days before being handed over to the Shanghai Municipal Police.

What happened to Kuo during the period that he was in the clutches of the Naval Landing Party has not hitherto been made public. The Shanghai Municipal Police, who received Kuo directly from the hands of the Japanese, know perfectly well what happened, but for the customary reasons of "high policy" have refrained from disclosing their information, except in private, confidential, "not for publication" conversations with newspaper reporters.

Kuo came into the hands of the Police Department of the Internatiinal Settlement with visible marks of severe beatings on his body, beatings administered by the officers of the Japanese Naval Landing Party, who were interested, and who remain interested, in proving that the slayer of Nakayama was a Chinese. Kuo told the S.M.P. (Shanghai Municipal Police) that the beatings had been administered in an effort to get him to confess that he was the slayer of Nakayama. This, however, he refused to do, declaring that he was entirely innocent.

Failing to get a "confession" from Kuo that he was the killer, the officers of the Naval Landing Party decided that three-quarters of a loaf was better than none, and by continued beating finally succeeded in getting Kuo to state that he had witnessed the murder of Nakayama, and that the slayer who ran off into the dark was a Chinese.

Feeling that they had definitely gained something, the Naval Landing Party officers turned Kuo over to the Shanghai Municipal Police as the first "material witness" in the investigation of the slaying, and he was brought before the First Special District Court on November 15, where the S.M.P. asked that his detention be ordered for a period of one week while the investigation continued.

To the great discomfiture of the Japanese, however, Kuo stood up in Court and repudiated the statement made at the Japanese Special Naval Landing Party headquarters to the effect that he had witnessed the shooting of Nakayama, and that the slayer of the latter was a Chinese. Feeling safe now that he was out of the clutches of the notoriously brutal military men of Nippon, Kuo told the Court that he had been intensively questioned by officers of the Japanese Special Naval Landing Party, and compelled to state that he had seen Nakayama killed and that the killer was a Chinese.

Notwithstanding this statement, which the Shanghai Municipal Police know to be completely true, Judge Hsiao ordered Kuo detained for one week as a "material witness," and the latter was marched off to the Ward Road Jail. To Chinese newspaper men in the court-room, Judge Hsiao issued a peremptory order, forbidding them to publish anything concerning the court proceedings.

Immediately following this farcical but highly revealing proceeding in the First Special District Court, the Shanghai Municipal Police Commissioner appointed one of his Assistant Commissioners, T. Robertson, to take charge of the investigation of the Nakayama murder. The investigation, in the hands of this officer, who is well-known in the force for his shrewdness and energy, was speeded up considerably. All available clues were run down, but no conclusive evidence which would reveal definitely the identity

of the murderer of Nakayama was unearthed.

However, all the evidence which was gathered, circumstantial and inconclusive as it might be, pointed away from the view that the slayer of Nakayama was a Chinese, and indicated that most probably it was one of Nakayama's own compatriots or possibly a Korean, who fired the fatal shots.

Assistant Commissioner Robertson and his aides make no pretense of hoping to definitely clear up the mystery of the murder of Nakayama. And this is quite natural, for the one line of investigation which could prove fruitful is barred. They know perfectly well that efforts to locate the murderer among the Chinese population is a futile undertaking. Japanese officials are determined to fasten the crime upon a Chinese, if there is any possible way in which this can be done, and only lines of inquiry leading in that direction will be permitted by them.

Had Vice-Consul Kurumoto not been discovered by a Chinese peasant in the Nanking hills a few months agi, to the great chagrin of the Japanese authorities who hoped to "prove" that he had been murdered by Chinese, a new "outrage" would have been chalked up to China's account by the Nipponese intriguers.

Similarly now, if the S.M.P. refuse to say what they know about the matter publicly, the killing of Hideo Nakayama, even though no slayer is discovered or apprehended, will be added to the Japanese list of China's anti-Japanese "provocations."

Upon the Shanghai Municipal Police there appears clearly to rest the elementary duty of blasting the latest Japanese frame-up by proclaiming publicly what they admit privately. Although with such evidence as they have, it may not be possible to assert that the killer of Nakayama was a Japanese, they are certainly able officially to express the conviction that the killer was not a Chinese.

The diplomatic niceties, or, to express it more bluntly, the polite hypocrisies which the authorities of the International Settlement are so fond of observing should be cast aside, since the issue at stake is a grave one. If the S.M.P. continue to refrain from disclosing what they know, they will be aiding and abetting an unscrupulous plot, for no other description can be applied to the Japanese moves which have followed the killing of Hideo Nakayama.

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While the murder of the Japanese sailor, now listed in the archives as the "Nakayama Case," remains at a deadlock, it is not generally known that the incident enabled the Japanese to accomplish an important "reform" in the Police Administration of the International Settlement. While it has received little attention in the English-language press and practically none in the Chinese press, the Japanese newspapers have given prominence to the fact that the Shanghai Municipal Police Department has created a so-called "Special Political Office," which apparently will be devoted to the ferreting out of anti-Japanese incidents. The *Shanghai Mainichi*, organ of the local office of the Japanese military establishment, stated on Nov. 19 that the new branch of the police department was created for the purpose of "hurrying up" the arrest of the assassin of the Japanese sailor, the culprit who smashed the window of a Japanese shop on Nanking road, "*and the suppression of anti-Japanese activities which are arising in the city.*" Continuing, the Japanese paper declared that this new department, under the leadership of the chief and his assistant, "will wipe out the danger to Japanese residents." The reference to the "chief" of the new department was interesting because the Japanese paper complained that the head of the section was a Briton while "only the assistant is a Japanese." Expanding on this point the *Mainichi* hinted that it would have been much more satisfactory if the head of the new department had been a Japanese because of the recent complications between the British-directed police department and local Japanese residents. But there were other reasons as suggested by the following sentence in the *Mainichi's* editorial: "Especially with regard to the difficulties in arresting the culprits responsible for the assassination of the Japanese sailor, and other anti-Japanese activities, we cannot say that there are no differences in the views between the Japanese and the British."

In addition to this revealing comment regarding the expected activities of the new special political department of the local Police Administration, the *Shanghai Nippo*, another Japanese paper which is regarded as the organ of the Japanese Consulate-General, stated (Nov. 17) that the new division would be expected to accomplish the following:

1) To improve the training of both the Chinese and Indian policemen,
2) To suppress the anti-Japanese activities before the occurrence of incidents,
3) To secure close cooperation between the police and the people, in order that the police may really work for the interests of the people.

What the Japanese are after apparently is to convert the police department of the International Settlement into a special branch of the Japanese military and consular espionage service so that all "anti-Japanese" sentiment in this international community might be "wiped out." In case the Japanese had their way no Chinese citizen or non-treaty protected foreigner would be safe from Japanese arrest and incarceration. The situation would be somewhat similar to that now existing in North China where the Japanese military now arrest and detain, without trial, any Chinese citizen whom they may suspect of thinking "dangerous thoughts." A recent Chinese report from Peiping alleged that no less than 42 Chinese are being held prisoner in the Japanese barracks at Peiping and Tientsin on charges they were involved in "anti-Japanese" activities, several of those arrested being professors in the local colleges and universities. That the Japanese would like to extend their authority here in similar fashion is obvious, hence their expectations regarding the new "special political branch" of the local Police Department.

Another Puppet-State in the North—Will Nanking Agree?

THE departure of Akira Ariyoshi, Japanese Ambassador, for Nanking on the night of Tuesday, Nov. 19, was an important event because Ariyishi carried in his pocket a demand from the military General Staff in Tokyo that Gen. Chiang pai-shek definitely declare his position with respect to China's future relations with Imperial Japan. The Shanghai *Mainichi*, organ of the office of the Japanese Military Attache in Shanghai, stated in the course of an editorial on Nov. 18 devoted to Ariyoshi's forthcoming trip to Nanking that the Japanese Ambassador, on this occasion, "would not permit the Generalissimo to resort to his customary habit of avoiding a responsible answer, but would insist upon a clear answer to the following questions:

'What is your position?

"Are you anti-Japanese or pro-Japanese?

Continuing, the writer in the *Mainichi* stated that in the event Gen. Chiang replied that he is "pro-Japanese," Ambassador Ariyoshi will then demand that Gen. Chiang Kai-shek abandons all of his traditional "smoothe speeches and double-faced policies," following which Ariyoshi will insist upon the extermination of all kinds of anti-Japanese activities "as expressed in the situation in North China, the recent monetary reforms and recent events in Shanghai. It was claimed that Mr. Ariyoshi would be accompanied on his present trip to Nanking by Major-Gen. R. Isogaya, Military Attache as he was on his previous demand-making trip to Nanking last summer. But the Military Attache apparently did not accompany the Ambassador this time, possibly in deference to the feelings of officials of the Tokyo Foreign Office who were assured by the Japanese military leaders in the course of the Japanese "family" conferences here a short while ago, that there would be no further interference on the part of the warlords with Japan's diplomatic machinery. In other words the military men promised to cease making their own demands, provided the Foreign Office would play the game and cease making Japan ridiculous over the world by denying responsibility for what the army was doing. It was on this basis that the army leaders agreed to permit Koki Hirota Tokyo Foreign Minister, to present Japan's so-called "New Policy" to the Nanking authorities. Hirota then handed a draft of the new program, consisting of three Principles, to Gen. Chiang Tso-pin, the Chinese Ambassador in Tokyo who was instructed to take them to Nanking for the attention of the Chinese leaders and ultimately for discussion and action at the meetings of the Kuomintang Central Exceutive Committee and General Congress.

But before the Chinese Ambassador, carrying the secret text of the new Japanese program in his pocket, could reach Nanking there was the attempted assassination of Wang Ching-wei, Chairman of the Executive Yuan and concurrently Minister of Foreign Affairs. This naturally upset the Japanese program because the Japanese had been led to believe that Premier Wang would give favorable considerations to the Japanese demands. For obvious reasons there has been no publication of the official text of Japan's "New Program," but the *Asahi Shimbun* (Tokyo) announced about the middle of October that Japan had received assurances that China would accept the Japanese policy "in principle," but would not be able to accord formal recognition of Manchukuo, which demand was included in the program. At the same time the *Asahi* published the following version of the new Japanese program:

1—Japanese assistance to China in the extermination of all anti-Japanese activities and the realization of positive Sino-Japanese economic cooperation.

2—While political and economic cooperation are being realized between China, Japan and Manchukuo, China will, through her own endeavors, guide various factors toward the diplomatic recognition of Manchukuo.

3—Japan, Manchukuo and China will cooperate in preventing the sovietization of North China and Mongolia.

It does not required any deep knowledge of diplomacy or international law to realize that the signing of an agreement containing these "principles" would place China in the position of a colonial dependency or "protectorate" of the Imperial Japanese Empire. The first principle would put Japan in control of China's domestic police administration under the guise of suppressing "anti-Japanese" activities, and in addition it would compel China to cooperate with Japan in the consolidation of the Japan-China-Manchukuo "bloc." The second principle would bring about China's formal recognition of the puppet state of Manchukui, something which the Japanese greatly need to bolster up their waning prestige about the world, but particularly in connection with the forthcoming naval conference in London. The third principle, camouflaged as cooperation in the suppression of red elements in the north and northwest, is actually nothing more nor less than a military alliance directed against the Soviet Union. By agreeing to this program China would put herself in the position of concurring in the famous "Amau Declaration" of a year ago, otherwise an admission of Japanese hegemony or paramountsy over Chinese diplomacy, economic and military affairs. The signing of any agreement embracing these principles, plus what China has already agreed to in North China in connection with the Tangku truce and the Ho Ying-chin—Umetu compact would not only constitute assent to an independent government in North China but would also mean agreement to similar Japanese control over the rest of China.

In view of the apparent belief that prevailed in Japanese military circles that Premier Wang

Ching-wei was favorable to the Japanese program, it was interesting to note the significant statement in the Tokyo *Nichi-Nichi* on Nov. 4, after the attempted assassination of Premier Wang, "it is easy to see from the present incident (attack on Wang) that anti-Japanese sentiment is still lurking in the Nanking Government. . . . the incident has shocked those Chinese who were on the point of adopting a pro-Japanese policy, even though this pro-Japanese policy might have been camouflaged. . . . "

With this background in mind it is not difficult to understand the recent developments in North China, or the recent Japanese military demonstration at Shanghai involving Japanese occupation of several blocks of the Chapei section, the searching of Chinese homes for the alleged murderer of the Japanese sailor, and the terrorization of the Chinese population throughout the city. It was and is all part of the general Japanese program, embraced in the "New Policy" which the Japanese Ambassador is discussing with Gen. Chiang Kai-shek in Nanking this week. What Gen. Chiang's attitude and the attitude of the National Government will be is not yet known, but regardless of Nanking's attitude on the Japanese program, there is no escaping the naked facts in the Northern situation. From the solid foundation of the Tangku Truce, constituting a modernized version of the infamous Twenty-One Demands of 1915, the Japanese have marched toward complete control of North China. Most Chinese now realize that the signing of the Tangku truce on May 31, 1933, following the Japanese invasion of North China, was a fatal mistake, but China's connivance with the Kwantung branch of the Japanese army in keeping the terms of the Truce secret has made the situation immeasurably worse. Then last summer, following a further Japanese "drive" into North China, another secret pact was signed, this time by Gen. Ho Ying-chin, then chairman of the Peiping Military Council and Lieut.-Gen. Yoshijiro Umetsu, commander of the Japanese garrisons in North China. This agreement not only gave the Japanese military authorities the right of dictating Chinese administrative personnel in the North but also gave the Japanese police control over the Peiping-Tientsin district. It is under this authority that the Japanese military now search Chinese schools for students and professors holding "dangerous" thoughts and is also their authority for arresting, and incarcerating, without trial, any Chinese official or civilian whom they suspect of being "anti-Japanese."

THE LEAGUE THAT WOULDN'T HELP CHINA
O, BUT JOHN, YOUR CASE IS DIFFERENT—CAN'T YOU SEE? ENGLAND DIDN'T INSIST-ER-ER ER-ER —.
CHINA
LEAGUE HELP FOR ETHIOPIA AGAINST ITALIAN AGGRESSION
THE LEAGUE
VICTIM OF JAPANESE AGGRESSION
SANCTIONS AGAINST ITALY
ORR

By Orr in the *Chicago Tribune*.

Then last week there was the announcement of the Japanese War Office that Yin Ju-keng, Chinese commissioner in the Demilitarized Zone, had agreed to Japan's appointment of advisers in each of the twelve hsiens or counties of the Zone which embraces about one-fourth of Hopei province extending south of the Great Wall to the environs of Peiping and Tientsin and thence northward into Chahar province. It was not surprising that Commissioner Yin-Ju-keng, following his consent to the appointment of Japanese advisers in each country, permitted the Japanese *Rengo* service to circulate an interview advocating "autonomy" for North China.

Japan's plan for the creation of another puppet state in North China was outlined in a *Rengo* message from Peiping on Nov. 18 stating that five provinces, Suiyuan, Shansi, Charhar, Hopei and Shantung would be embraced in the new "state" which probably would carry the title, "Northern Autonomous Administration of the Republic of China. The Japanese explained that there would be no interference in China's internal affairs; that Japan would not invade Chinese territory; that North China would "never" be separated from the Central Government .... "but Japanese advisers will be attached to Chinese political and military organizations in North China, the said advisers to be "selected" by the Chinese authorities. Then followed the Japanese announcement that the new state would have complete autonomy in finances and economic development, involving a cutting off from the Chinese Government of all revenues derived from maritime customs, salt gabelle, tobacco, wine, etc. In addition the Japanese army would "cooperate" in preventing Chinese banks and financial organs in the North from shipping silver to Nanking and Shanghai in accordance with the Central Government's new silver nationalization and currency reform measures. Finally the Japanese announced, through their semi-official press reports the personnel of the "New State," including, Gen. Sung Chieh-yuan, garrison commander of the Peiping-Tientsin district, Gen. Han Fu-chu, chairman of the Shantung provincial government; Gen. Shang Chen, chairman of Hopei; Gen. Chin Teh-chun, Major of Peiping; Gen. Hsiao Chen-ying, chairman of Chahar; Gen. Wan Fu-lin, commander of the 53rd Army corps; Cheng Keh, Mayor of Tientsin and Yin Ju-keng, administrative commissioner of the Luantung district of the Demilitarized Zone.

The Japanese reporters waxed enthusiastic over the prospects of the New Puppet State which Gen. Kenji Doihara and the other warlords of the Kwantung army were engaged in carving out of China's northern provinces. It would contain from 30,000,000 to 90,000,000 people, unlimited resources of mineral and agricultural products; have revenue possibilities from taxation amounting to more than $300,000,000 a year and finally it was declared that the Chinese people in North China, now in process of being "Japonified" possessed hidden wealth in the form of buried silver amounting to $800,000,000 or $900,000,000. Reverting to the language which the Japanese propagandists used when they first seized Manchurian provinces, it was declared that the new administration which Japan was fostering and which the Kwantung army had agreed to defend against all enemies by force of arms, "would guarantee the welface and happiness of the people; that there would be no further maladministration of the Kuomintang and, it would constitute a further bulwark against the spread of communism."

MAKING NORTH CHINA "SAFE" FOR JAPAN

This cartoon, reptoduced from *Moscow Pravda* shows Japan putting China into the Japanese armored truck for safe keeping. The inscription on the back of the Chinese figure reads, "Independent North China."

In order that the Chinese authorities would have no misunderstanding of Japan's intentions, the Kwantung army began concentrating troops and war equipment at Shanhaikwan and other passes in the Great Wall several weeks ago so that it is now estimated that Japanese military strength along the Wall exceeds 20,000 troops and ample mechanized equipment. A dispatch from Gen. Jiro Minami's headquarters at Hsinking (Changchun), capital of Manchukuo, on Nov. 18 stated that the Kwantung army "stood ready to oppose the entry of Chinese Central troops into North China on the ground that such action would be contrary to the Boxer protocal of 1900, the Tangku truce of 1933 and the Ho-Umetsu agreement of this year. In other words the Japanese military authorities in Manchukuo announced they were ready to cooperate with the Japanese garrisons at Tientsin and elsewhere in North China, in the protection of the new "Leagued Autonomy Government" in North China.

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In an interview with newspaper correspondents at Peiping on Nov. 19, Doihara, who is head of the special service division (department of intrigue) of the Kwantung army announced that if the Chinese authorities in the North did not issue their "Autonomy Manifesto" by noon of Wednesday, Nov. 20 in accordance with his, Doihara's, instructions, that the Kwantung army's divisions would come pouring through the Great Wall into North China.

Both the Chinese and Japanese military authorities at Peiping denied this report on the following day, but it was obvious that something had gone wrong with Doihara's supposedly well-laid plans for declaring autonomy in the North. What happened is still a mystery, but Gen. Han Fu-chu, chairman of Shantung apparently refused to go to Peiping to participate in the independence manifesto and in addition most of the other figures suddenly developed diplomatic ills of various kinds which made it impossible for them to be in Peiping on the date which Doihara had chosen for the declaration. According to the official *Central News*, Shang Chen, chairman of Hopei, not only caught cold but also developed "stove" poisoning, a new type of diplomatic sickness and was compelled to enter a hospital at Paotingfu. Gen. Sung Chieh-yuan, garrison commander of the Peiping-Tientsin district secretly went to Tientsin where he is remaining for the present. In view of the apparent collapse of his scheme which he had apparently intended to present to Tokyo as a *fait accompli*, Doihara also suddenly left Peiping for Tientsin.

Witnesses from U. S. Arrive in Shanghai for Raven Trial

C. J. Haley, of the San Francisco Home Owners' Loan Corporation, and Carl Curtis of E. A. Pierce & Co., New York and San Francisco stockbrokers, arrived in Shanghai this week. They will be witnesses at the trial of Messrs. Raven, Brown and Driscoll, of the defunct Raven institutions, to commence at the U. S. Court for China before Judge Helmick Nov. 29.

Closer Anglo-American Co-operation Foreseen at Naval Conference

Closer Anglo-American co-operation at the forthcoming naval conference than has prevailed heretofore was forecast by informed observers in London Nov. 15. The co-operation, it was asserted, would be due to President Roosevelt's pronouncement, on Oct. 5, that the American Government would not interfere, on behalf of United States traders, with blockades of League of Nations against aggressor nations. The statement was interpreted as an abandonment of America's traditional insistence on the freedom of the seas.

The President's declaration was taken as a guarantee that the United States would not intervene against nations seeking to impede American war-time commerce, thus ending a possible source of Anglo-American misunderstandings.

A second factor in the expected Anglo-American co-operation was Japan's bid for Oriental supremacy, which has been regarded as jeopardizing interests of the other two countries in the Far East.

Japanese Delegation Proceeds to London Via Siberia

The Japanese delegation to the London naval conference, including Admiral Nagano and Mr. Nagai, Ambassador without definite post, left Tokyo Nov. 16 for London via Siberia. Prior to his departure, Admiral Nagano told newspapermen that Japanese naval policy aims at establishing a common upper limit of naval holdings for Powers at the lowest possible figure, so as to achieve real naval disarmament, and abolishing or drastically reducing offensive weapons while regulating defensive weapons. He hoped that a fair and equitable naval agreement would be concluded in London along these lines.

Mr. Nagai, in a press interview, anticipated no small difficulties at the conference owing to the divergent views held by the different naval Powers, but pledged his wholehearted efforts to reach a fair and equitable agreement.

Japanese Will Observe "Open" Diplomacy

"Open diplomacy" as contrasted to the "hush-hush" negotiations of the past will form the keystone of Japanese tactics at the forthcoming London Naval Disarmament Conference, Admiral Nagano, chief delegate, told *Rengo* Nov. 16. Japan will not go down in diplomatic defeat "as she did before the League of Nations in the past, even should the United States and Great Britain, actuated by the complicated motives of international diplomacy, combine against Japan," he added. Admiral Nagano heads a delegation of 22. "With eventful conditions prevailing both in Europe and in the Orient, the coming naval conversations may be entirely different from those held in the past" he commented "Great Britain, I understand, has turned from disarmament to an increase in effectives as a result of the entangled situation in Europe. "We shall, however, seek to carry out our claims, which we consider absolutely fair," he added.

The Tokyo *Yomiuri*, Nov. 13, published the following urgent telegram from its correspondent in New York:—"It is reliably learned that the American Government will not necessarily oppose abandonment of the prevailing naval ratio system so that the conclusion of an agreement on a new formula to replace the existing treaties may be made possible at the coming London naval disarmament conference. The new formula, however, is to be concluded on condition that it does not severely alter the prevailing ratio between the Powers."

Norman Davis is to head the American delegation to the London disarmament conference. President Roosevelt's choice of Mr. Davis is regarded by the Japanese as being due to America recognition of Britain's efforts to bring about a new general naval accord and to the fact that Japan has appointed big men as delegates to the conference.

Free Mass Education Receives Support from Boxer Indemnity

The Finance Committee of the China Foundation for the Promotion of Education and Culture (in charge of the American Boxer Indemnity Refund) held a meeting in Peiping Nov. 14 to arrange for the remittance of the grant of $300,000 towards the development of free mass education in the country, which was decided upon at a meeting of the Foundation in Shanghai last month. It was decided to remit the sum to the Ministry of Education in eight bi-monthly instalments of $37,500 each.

Bookstores Must Produce License When Applying for Registration

An order was issued this week by the Ministry of Interiof to the Provincial Departments and Municipal Bureaus or Education, instructing that when bookstores or other publishing companies apply for registration of their books or other publications, they must also produce the license issued to them by the Ministry of Education. No registration will be granted without the submission of the license issued by the Ministry of Education, the order stated.

Japanese Continue to Put Obstacles in the Path of China's Monetary Program

A TOKYO message Nov. 18 stated that, acting on instructions from the Foreign Ministry, Mr. A. Ariyoshi, Japanese Ambassador to China, would soon notify Sir Alexander Cadogan, British Ambassador in Nanking, and Sir Frederick Leith-Ross, chief economic adviser to the British Government, of Nippon's opposition to loans to China. Mr. Ariyoshi, according to reports received by the Gaimusho, had already intimated to the two officials that the projected joint loan of £10,000,000 to China would precipitate internal conflict in this country, possibly leading to international control over China. The report added that Mr. Ariyoshi, answering Sir Frederick's contention that the recent financial reforms would result in the stabilization of Chinese currency, asserted that the Central Government could not effect complete monetary reforms, not being in absolute control of the entire country.

Dealing with what it alleged to be the total failure experienced by the Nanking Government in its enforcement of the measure nationalizaing silver, the *Shanghai Nippo* in a recent editorial emphasized that the refusal by both the Southwestern and the North China authorities to transfer their silver to the General Governments, crushed the hopes of part of the Chinese authorities, who were so sure of the success of the program for the nationalization of the white metal and for financial reform, with the support of Great Britain. Dealing with the respective position of the Southwestern and Northern authorities, the Japanese daily stated that the attitude of the North China leaders is stronger than that assumed by the Southwestern authorities.

The *Nippo* commented: "The provincial authorities in the North instructed the local authorities to prohibit export of silver. Even moderate General Han Fu-chu, agreed to join the movement to refuse to transfer silver. As a result, the nationalization of silver and the reform of the currency system is only being effected in a few provinces in middle China. The Nanking authorities will be surprised to find that their power is so weak. This will also place Great Britain in a predicament."

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North China Silver Stocks Must Be Made Liquid, Says Japanese Financier

CONVERSION of North China's immense silver stocks into liquid capital must precede Sino-Japanese collaboration in the economic development of the region, Magoshira Oshima, director of the Oriental Development Company, declared in Tokyo Nov. 16 on his return from a month's tour of Manchukuo and North China.

The population of the Northern provinces holds between $700,000,000 and $800,000,000 in silver, while the metal reserves of banks total about $28,000,000, the official of the said Yen 30,000,000 concern slated.

Conditions in North China, Mr. Oshima said, differ greatly from those in Manchukuo, and it would not be advisable to introduce the New Empire's system of controlled economy in the northern provinces. "An easy money market is asolutely necessary for sucessful Sino-Japanese economic co-operation in North China. This requires the establishment of a sound Chinese currency system," he said.

Reasons Why China Was Forced to Adopt New System Are Explained

The reasons why the Chinese Government was forced to adopt the new currency system were explained by a spokesman of the Ministry of Finance in Nanking Nov. 18. According to the spokesman, China as a nation on the silver standard has been suffering from adverse conditions in her exchange with other countries. With the alarming exodus of the white metal during the recent years, the economic foundation of the country has been greatly endangered. It is with the intention of averting a crisis in this connection that the Ministry of Finance has adopted the new currency system, the spokesman said. The spokesman then enumerated the defensive policies adopted by the various nations during the last few years which had been suffering from a metalic standard before they went off it.

In 1931, the spokesman recalled, England had abandoned her gold standard. Quickly following, the United States also went off gold while at the same time launched upon an exchange control policy. Likewise Germany adopted an exchange control policy in 1931 and at the same time forfeited the redemption of notes. Japan in 1931 abandoned her gold standard which was followed by the adoption of an exchange control policy in 1932. Italy embarked on an exchange policy in 1934, while Austria took similar steps in 1931. She later dropped her golds standard in 1935. Further examples, according to the spokesman, are many.

Formosan Development Company Organized for the Development of South China

For the economic exploitation of South China and the South Sea Islands, the Japanese authorities in Formosa have decided to establish a Formosan Development Company with a capital of Yen 100,000,000. In addition to the attempt to dominate South China finance, the company will open mines, build railways, establish factories, and encourage the industry.

Spokesman of Finance Ministry Answer Critics of Currency Reforms

Doubts currently entertained by critics of the currency reforms of the Government consequent upon the enforcement of the new fiscal decree were dispelled by the Ministry of Finance Nov. 19, according to a *Central News* message.

Such questions as often asked by these critics including the possibility of stabilizing exchange and commodity price levels, circulation of legal tenders, and soundness of bank reserves were answered as follows:

Q. Can foreign exchange be stabilized?—*A*. As a result of unlimited purchase and sale of foreign exchange by the three leading government banks, the functions of adjusting and controlling demand and supply has been fulfilled. That foreign exchange has been stabilized is evidenced by the fact that the exchange rates quoted by the Central Bank of China varies little with those quoted by the foreign banks. Furthermore a similar step has been taken by all foreign banks.

Q. Can commodity price level be stabilized?—*A*. The rise of commodity price levels immediately following the enforcement of the new currency decree was only a temporary reaction owing to the misapprehension that the new system might be currency inflation. As the facts gradually became clear to the public, price levels have gradually come down to normal.

But after a certain period commodity prices will again gradually go up. This will be due to the betterment of the banknote issuance system and the financing of capital, coupled with stabilization of foreign exchange and development of foreign trade. This will be the result of national prosperity and not the result of irrational fluctuation of general price levels.

Q. What about the circulation of legal tenders?—*A*. It is generally said that the Chinese people have long been accustomed to the use of silver and that the sudden circulation of legal tenders may not be commonly accepted. As a matter of fact banknotes have in recent years been circulating in the inland.

Reserve for the issuance of legal tenders in China is highest compared with many foreign countries. As credit is intact there will be no difficulty of the legal tenders being commonly accepted.

Q. What about bank reserve?—*A*. It is common misconception that the new currency system has been enforced because many private banks which issue banknotes lack adequate reserve. As a matter of fact the currency reserve of these banks is adequate, the ratio between reserve and the amount of notes issued being more than 60 per cent. The issuance of lgeal tenders, furthermore, is based upon the amount of reserves on hand.

On the other hand a Board in custody of currency reserve has been organized jointly by representatives from the various banks. There is little doubt therefore of the soundness of reserve and the adequacy of future legal tenders issued.

Japanese Are Gleeful Over Nanking's Limited Authority

The *Shanghai Nippo* in an editorial, dealing with the difficulties in carrying out controlled economy, Nov. 14, stated that

only ten provinces of the country, including Kiangsu, Chekiang, Kiangsi, Fukien, Anhwei, Hupeh, Hunan, Yunnan, Kweichow, and Szechuan are now under the control of General Chiang Kai-shek, while the northwestern provinces are under the influence of the northeastern troops, Shantung under General Han Fu-chu, Shansi under General Yen Hsi-shan, the southwestern provinces, under General Chen Chi-tang and General Li Tsung-jen. North China is controlled by the existing regime, while the bordering provinces including Outer Mongolia and Sinkiang are under the command of the Communists, this Japanese journal stated.

The *Nippo* Nov. 15 said there is doubt that a loan of £10,000,000 had been arranged between the Nanking Government and Great Britain, but it was reported that a new loan of £20,000,000 is being concluded by the Chinese authorities with British subjects.

Shantung Adopts Strict Measures to Stabilize Financial Situation

Strict measures are being taken by the Shantung proincial government to stabilize the acute financial situation which has arisen from the enforcement of the new silver decree of the Ministry of Finance. The abnormal rise of the value of coppers since the enforcement of the silver nationalization measures, in the opinion of the provincial authorities, has considerably affected the livelihood of the common people.

A recent message from Hankow stated that to remedy the present shortage of coppers, the Hupeh Provincial Government has decided to issue 700,000 copper notes, including 400,000 of the denomination of 100 cash (wen) and 300,000 of the denomination of 500 cash. The new coppers will be put in circulation next week.

In Anking, provincial capital of Anhwei, a Commodity Price Stabilization Committee has been organized by the Provincial Departments of Civil Affairs, Finance and Reconstruction, in conjunction with representatives of the District Government and the Bureau of Public Safety. Besides enforcing measures to prevent manipulation, hoarding and smuggling of copper by profiteers, the Committee has fixed the exchange rate at 320 coppers for one dollar.

According to a telegram from Tsinan, gongs were sounded by the police throughout the streets of the Shantung provincial capital warning traders against boosting the prices of products.

The financial situation in Tsingtao is stated to be favorable with the note currency in general use and the prices of commodities steady. In view of the large amount of silver dollar circulating in the Kiaochou Peninsula, however, a number of "foreigners" is collecting silver dollars in the country towns.

Measures for preventing the rise in commodity prices were adopted by the Peiping Municipal Government at a meeting Nov. 13. Besides instructing the Bureaus of Social Affairs, Public Safety and Finance to enforce these measures, a telegram was sent to the Central Bank of China to ship more legal tender notes from Shanghai.

Time Limit for Exchanging Silver for Notes Given in Shensi

December 31 of the current year has been set as the deadline for the exchange of silver dollars for legal tender notes in Shensi Province, according to a proclamation issued by the Shensi Provincial Government Nov. 14. The order strictly prohibits hearding and export of silver dollars from the province and warns that anyone violating the order will be liable to severe punishment.

Dr. Kung Entertains Financial Officials in Nanking

In the course of an address at a luncheon party in honor of several high financial officials from various provinces and municipalities at Nanking Nov. 11, Dr. H. H. Kung, the Finance Minister, expressed his gratification over the efforts of the provincial and municipal authorities concerned in the readjustment of local finance and the abolition of exhorbitant taxes during the past year. Dr. Kung also took the opportunity to explain at some length relevant points of the Government's new silver policy.

H. H. Kung Calls on Maj. Gen. Isogai

Dr. H. H. Kung, Minister Finance, called on Major-General Isogai, Japanese military attache in Shanghai Nov. 15 to discuss the newly introduced monetary reform program of the Nanking Government.

The *China Press* in its issue of Nov. 19 retracted a statement made two days previously quoting Mr. Ishii, Japanese Consul-General, in Shanghai as saying he would back the new Chinese monetary decree. Mr. Ishii, it was stated, in his interview intended to deal only with the subject of silver-smuggling and did not give his views on the new Chinese monetary decree as a whole at all.

Ministry of Finance Asks Foreign Banks to Give Up Silver Export Permits

The Ministry of Foreign Affairs is stated to be negotiating with the diplomatic representatives of foreign countries to cancel the right of foreign banks to issue bank notes. With the prohibition of the use of silver dollars, the Ministry of Finance has issued circular orders to the various banks requiring them to return the *Huchiaos* (permits) previously issued by the Ministry for the transportation of silver.

The Canton Department of Finance of the Provincial Government Nov. 6 proclaimed that beginning with November 7 only the bank notes issued by the Provincial Bank and the Municipal Bank shall be legal tender and no silver coins shall be accepted in payment of Government dues, or public or private debts, or used in business transaction.

A Nanking message to the *Sin Wen Pao* Nov. 17 quoted financial circles as saying that China has a total of $2,000,000,000 in silver, of which a little more than a quarter is in the hands of people in the Yangtsze valley.

In a telegram to General Liu Shih, Chairman of the Honan Provincial Government Nov. 8, Dr. H. H. Kung expressed his great satisfaction over the efficient financial administration of the Provincial Government.

Tientsin Planning to Issue Copper Notes

The Chinese authorities at Tientsin are understood to be making arrangements with local bankers for the issuance of copper notes to remedy the shortage of copper coins.

$500,000,000 in Silver Already Collected

The Silver Reserve Board, recently organized by the Ministry of Finance for the concentration of silver, following the introduction of the montary reform, has so far received $500,000,000 worth of silver, according to Shanghai financial circles.

Honan People Told to Hand Over Silver

To facilitate the enforcement of the Government's new silver decree, the Honan Provincial Government has issued a circular order to various district magistrates to explain to the village elders under their jurisdiction the significance of the new currency policy of the Government and to ask them in turn to persuade the rural populace to hand over their silver holdings.

Regulations Are Promulgated for Exchange of Silver for Notes

Regulations governing the exchange of silver for legal tender notes were promulgated by the Ministry of Finance Nov. 16. It is provided that all banks, native money guilds, shops, public bodies and private individuals in various localities, possessing silver pieces and other kinds of the white metal, should within a period of three months as from Nov. 4 submit their silver to local exchange organs in exchange for legal tender notes. Exempted from the ruling are (a) silver for use of industrial arts or for manufactures which must necessarily require silver as raw material upon the approval of the Government, in accordance with the regulations governing the management of silverwares, (b) ancient silver coins, rare silver coins or silverwares which are of cultural value, (c) silverwares and silver ornaments which were made or kept before the promulgation of the present regulations.

With the exception of commonly accepted silver dollars and silver bullion, the value of other forms of the white metal in relation to legal tenders shall be fixed in accordance with their silver contents.

Bank Failure at Foochow Causes Sensation

A mild sensation was created in Foochow financial circles Nov. 13 with the announcement of three days' suspension from business by the Southeastern Bank, which has applied to the authorities for a probe of the bank's accounts. Most of the high officials of the bank have gone into hiding, and the residence of the manager of the bank was raided by the police.

The Ministry of Finance has requested the Fukien Provincial Government, to close the Tung Nan Bank in Foochow as it has failed to apply for registration and is not authorized by the Ministry to issue banknotes. The banknotes in circulation must be withdrawn by the Bank immediately, the Ministry directs.

Kwangsi Bans Export of Silver

The Kwangsi Provincial Government Nov. 17 officially announced a ban on the export of silver.

To replenish the supply of liquid cash in circulation in the Foochow market, the local Chamber of Commerce Nov. 16 decided to petition the Ministry of Finance to authorize a loan from the three Government banks, amounting to $1,000,000, against real properties. Gen. Chen Yi, chairman of the Fukien Provincial Government, who is now in Nanking attending the fifth National Congress, has also been requested to approach the financial authorities in this connection. The run on the China Farmers' Bank, consequent upon the failure of the Southeastern Bank, has in the meantinue abated.

Railways to Serve as Legal Tender Notes' Exchange Agents

To faciliate the enforcement of the new monetary measures decreed by the Ministry of Finance, the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways Administrations have been instructed by the Ministry of Railways to assist the financial organs in different localities in exchanging silver dollars for legal tender notes. Similar instructions have been given to other communications organs under the Ministry of Communications.

Post Offices to Accept Silver

To facilitate the circulation of legal tender notes and the withdrawal of silver from currency purposes, Post Offices throughout the country have been entrusted by the Ministry of

(*Continued on page 440*)

General Chiang Expounds China's Foreign Policy; Kuomintang National Congress Continues in Session

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Gen. Chiang Kai-shek Urges United Stand in Facing Foreign Issues.**
2. **Detailed Proceedings at the 5th Kuomintang National Congress.**
3. **Kwangsi Army Leader Postpones Trip to Nanking.**
4. **Hu Han-min Announces Readiness to Return to China.**
5. **Wang Ching-wei Declares He will Continue to Work for Revolution.**
6. **China Said Ready to Discuss Hirota's Three-Point Program With Japan.**
7. **Tokyo Military Takes Serious View of Chinese Troop Moves in Honan.**
8. **Eleven Trainloads of Japanese Troops Arrive at Shanhaikwan.**
9. **Peiping Mayor Denies New Developments in North China.**

Generalissimo Chiang Kai-shek made an important speech on China's foreign relations before the Fifth National Congress of Kuomintang Delegates at its 4th general meeting on the morning of Nov. 19.

He first dwelt upon the nationalist movement which, he pointed out, was not an exclusively external movement. "There are two phases of nationalism," the Generalissimo said "one being external and the other being internal. Externally we should seek equality and independence and internally we should strive for spiritual and material reconstruction." He remarked that the Chinese people should emphasize both phases of the nationalist movement and should not pay undue attention to one to the neglect of the other.

The Generalissimo then brought out the second point by comparing international relations with individual relations. "International relations," he said, "are entirely different from individual relations. Relations between nations, unlike those between individuals, are subject to changing circumstances, and there is no lasting enmity between nations. In formulating a foreign policy responsible statesmen should therefore take into consideration the welfare of the country and the government interest of the nation as a whole, and should not be unduly influenced by personal sentiment and temporary circumstance."

Generalissimo Chiang finally stressed the necessity for prompt and forceful decision at a critical moment. He recalled the history of western nations which shows that because the people had confidence in their leaders and because their leaders had authority to deal with each problem as it arose, many crises were averted and the national foundation was finally made safe.

After discussing the above three points, General Chiang continued: "The rise or decline of China as a sovereign power will necessarily have an important bearing on world peace and the welfare of humanity—a fact which must be fully realized by all wise statesmen. Particularly our neighbor, Japan, should be deeply concerned with the peace of the Orient and the common good of both China and Japan. What we hope and seek for is simply self-preservation and co-existence with the other members of the family of nations."

The concluding part of the Generalissimo's speech is as follows:

"If international developments do not block the way of our national regeneration, we should, in view of the interest of the whole nation, practise forbearance in facing issues not of a fundamental nature. At the same time we should seek harmonious relations among nations, provided there is no violation of our sovereignty. We should seek economic co-operation based upon the principle of equality and reciprocity. Otherwise, we should abide by the decision of the Party and the nation and reach a resolute determination. As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice until we are driven to the last extremity which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing, for the life of an individual is limited, while the life of the nation is eternal. If, acting within the limit to conditions for peace, and with a detetrmination to sacrifice, we make our supreme efforts for the consolidation of the nation and the regeneration of the people, then the aim of the Party to save the country will be attained."

General Chiang in the course of the speech is reported to have proposed that the Kuomintatng should hereafter entrust the National Government with full powers in dealing with foreign affairs and his proposed was unanimously adopted.

Shanghai Nippo reported Nov. 19 that General Chiang Kai-shek made a speech at the second general meeting of the 5th National Kuomintang Congress on the morning of Nov. 16, in the course of which he discussed the Chinese policy towards Japan. General Chiang is alleged to have said that China's policy towards Japan would not only affect the Sino-Japanese relations, but also influence tthe internal situation in China. Citing the words of Dr. Sun Yat-sen in his lectures on *San Min Chu I* to the effect that it would only require ten days for Japan to occupy the whole of China, General Chiang said that he could not imagine the results of another Sino-Japanese war. "There is no alternative," General is quoted as saying, "other than to maintain amicable relations with Japan. However, our country will resort to war, if no good results follow our sincere efforts of friendly co-operation. In the future, thtere will probably be more difficulties, and therefore your efforts will be badly needed."

The *Nippo* reported that not a single word of General Chiang's speech was published in the Chinese press.

Sino-Japanese relations were discussed at an important conference held in the evening of Nov. 20 at the residence of the Generalissino by Gentral Chiang Kai-shek and A. Ariyoshi, the Japanese Ambassador to China. Mr. Ariyoshi is stated to have enquired concerning the situation in North China and he is reported to have been informed by the Generalissino that the central authorities had been fully apprised of the situation there by the local authorities, whose loyalty he had no reason to doubt. General Chiang is also stated to have informed the Japanese Ambassador that, in case of unexpected developments in the North, the central authorities would take appropriate measures to deal with them.

According to a *Rengo* report, China's outstanding military leaders, gathered in conference in Nanking in the night of Nov. 15 to discuss the situation in the north. Present at the meeting convened by General Chiang Kai-shek, were Generals Chang Hsueh-liang, Yen Hsi-shan, Ho Yin-ching, Feng Yu-hsiang, and other military figures. The meeting lasted late into the night.

PROCEEDING AT THE 5TH KUOMINTANG NATIONAL CONGRESS

Up to Thursday, Nov. 21, the 5th National Kuomintang Congress had been in session for a whole week, in the course of which a large number of important resolutions,

concerning political, military, Party, econnomic and educational affaris of the country had been adopted.

The Congress was presided by a presidium of 23 and attended by more than 600 members of the C. E. C. and C. S. C., Party delegates and observers.

Members of the Presidium

Chiang Kai-shek	Wang Ching-wei	Yu Yu-jen
Sun Fo	Lin Sen	Tai Chi-tao
Chu Cheng	Chang Chi	Ku Meng-yu
Tsou Lu	Chen Kuo-Fu	Hsu Chung-chih
Yen Hsi-shan	Feng Yu-hsiang	En-Ko-Fa-Tu
Wu Chung-hsin	Shih Tzu-chou	Mei Kung-jen
Wang Chuan-sheng	Lin Tieh	Pan Kung-chan
Mai Huan-chang	Lo Ching-Tao	

(46) Members of the C.E.C. (present at the opening ceremony)

Chiang Kai-shek	Shao Yuan-chung	Chou Chi-kang
Tseng Yang-fu	Chen Kung-po	Yu Yu-jen
Feng Yu-hsiang	Chu Pei-te	Mao Tsu-chuan
Hsia Tou-yin	Wu Te-chen	Chang Chun
Ching Heng-i	Ho Cheng-chun	Teng Chia-yen
Liu Chi-wen	Yen Hsi-shan	Ting Chao-wu
Fang Chio-hui	Fu Ju-lin	Chou Fu-hai
Wang Po-chun	Cheng Chien	Yang Chieh
Yeh Chu-tsang	Chen Chao-ying	Wang Fa-chin
Li Wen-fan	Sun Fo	Tai Chi-tao
Ma Chao-chun	Chang Chih-pen	Kuei Chung-chi
Kan Nai-kwang	Chen Li-fu	C. T. Wang
Chang Chen	Shih Ying	Li Tsung-huang
Wang Po-ling	Liu Shou-chung	Chen Kuo-fu
Ho Ying-chin	Chen Tse	Li Tsung-huang
H. H. Kung		Chu Chia-hua

(16) Members of the C.S.C.

Hsu Chung-chih	Chang Hsueh-liang	En-Ko-Pa-Tu
Chiang Tso-pin	Chang Chi	Liu Ya-tzu
Yang Hu	Yang Shu-kan	Tsai Yuan-pei
Lin Sen	Shao Li-tzu	Chu Min-i
Hung Lu-tung	Madame Wang	Wu Chih-hui
Chang Fa-kuei	Ching-wei	

(31) Reserve Members of the C.E.C.

Wang Lu-i	Ku Cheng-kang	Li Ching-chai
Miao Pei-cheng	Hsueh Tu-pi	Lu Chung-lin
Hsieh Tso-min	Chao Pei-lien	Chien Ta-chun
Tang Yu-jen	Huang Fu-sheng	Liang Han-tsao
Chen Yao-yuan	Chang Tao-fan	Chang Ting-fan
Chen Ching-fun	Chang Li-sheng	Yu Ching-tang
Chen Shu-jen	Hsiao Chi-san	Fan Yu-sui
Cheng Chan-nan	Tseng Chung-ming	Wang Chi
Chiao I-tang	Tseng Kwang-ching	Wang Mou-kung
Tuan Hsi-peng	Tai Kuei-sheng	Li Jen-jen
Lo Chia-lun		

(10) Reserve Members of the C.S.C.

Teng Fei-huang	Kuo Chun-tao	Chen Pu-lei
Li Fu-lin	Li Tzu-men	Lin Yun-kai
Hsiao Chung-chen	Huang Shao-hsiung	Chi Liang
Sun Ching-ya		

Before the regular sessions were convened, two preliminary meetings were held on the 13th and 14th respectively. At the first preliminary meeting, which was presided over by Yu Yu-jen, President of the Control Yuan and member of the C. E. C., and attended by 661 delegates, including Tsou Lu, influential Party and political leader of the Southwest, who arrived at Nanking from Canton on the morning of Nov. 13, a presidium was elected and the work of the Congress was apportioned among several committees. At the second preliminary meeting, it was decided that a telegram be dispatched to Hu Han-min, veteran Party leader and member of the C. E. C. and Dr. Wang Chung-hui, Judge at the Hague Court of International Justice, urging their immediate return to China from Europe to share the responsibilities of the Government, and that a deputation of two of the Presidium be sent to visit President Wang Ching-wei at the Central Hospital to express the Congress' warm hopes for an early ecovery. These two decisions had been carried out accordingly.

THE FIRST REGULAR MEETING

The first regular meeting of the Congress was held at 9 a. m. Nov. 15 at the auditorium of the Central Party Headquarters in the presence of 571 C.E.C. and C.S.C. members, Party delegates and obserwers. Lin Sen, Chairman of the National Government, whose term of office expires following the Congress, was in the chair with Yeh Chu-tsang as Secretary-General. As the meeting was scheduled to be devoted to Party and political affairs, two reports were presented before it. One was that of the Central Executive Committee which was presented by Sun Fo, C.E.C. member and President of the Legislative Yuan, and the other of the Central Superivsory Committee which was present by Chang Chi, C.S.C. member. The meeting decided that the two reports be submitted to the Party Affairs Section of the Committee for the Drafting of Congress Proposals for examination. Secretary-General Yeh Chu-tsang reported that the Congress Presidium recommended that the Committee for the Drafting of Congress Proposals be composed of five sections, namely Party Affairs, Political Affairs, Economic Affairs, Educational Affairs and Military Affairs. The recommendation was adopted. It was resolved that a meassage of comfort be despatched to the rank and file of the Bandit -suppression Forces. Votes of thanks to Chairman Lin Sen of the National Government and to General Chiang Kai-shek for their services to the Party and the State were unanimously passed.

THE SECOND REGULAR MEETING

A number of important resolutions were adopted at the second regular meeting of the Congress on the morning Nov. 16 after reports were made by the sections on Party, political, education and military affairs on the results of their examination of the proposals submitted to the Congress. The meeting was attended by 463 C.E.C. and C.S.C. members and Party delegates. Chang Chi, C.E.C. member, presided.

In connection with Party affairs, the following resolutions were adopted upon the recommendations of the Party acairs Section:

(1) The proposal for the unification of the theories of the Kuomintang and expansion of Party publicity work be adopted in principle and referred to the organs in change for consideration;

(2) The proposal for the lifting of press censorship and toleration of freedom of speech should be referred to the Fifth Central Executive Committee with the instruction that publicity work should be henceforth improved;

(3) The proposal for the restriction of newspaper business and qualifications of newspaper editors and reporters and the fixation of the minimum capital fund for a newspaper be referred to the organs in charge with the instruction that these points should be taken into serious consideration in revising the regulations governing the Fourth Estate in the future.

With reference to political affairs, the meeting adopted the following resolutions in accordance with the recommendations of the Section on Political Affairs:

(1) The proposal for the adoption of the system of delegates to the forthcoming People's Congress on a vocational basis be referred to the Sixth Central Executive Committee for consideration;

(2) The proposal for the checking of undue interference of the salt revenue guards with salt revenue matters be referred to the National Government which shall, in turn, instruct the organ in charge to enforce strict discipline among the salt revenue guards;

(3) The proposal for the expansion of the examination system in China be referred to the Examination Yuan for consideration;

(4) The proposal for the purchase of more steamers for the China Merchant's Steam Navigation Company to ply between China and the Southseas in order to restore China's navigation rights be referred to the National Gov-

ernment which shall, in turn, instruct the organ in charge to carry out the resolution.

Upon the recommendations of the Section on Education Affairs, the meeting adopted the following resolutions:

(1) In conection with the proposal for the improvement of the National Compilation and Translation Institute in order to effectively control and examine text books for primary and middle schools and literature for youths in accordance with the Three People's Principles, it was decided that well trained and experienced men be engaged by the Institute to carry out the assigned work and that all provincial and municipal educational authorities be instructed to submit to the institute for examination all the publications for Chinese youths;

(2) In regard to the proposal for the establishment of a Central Technical Institute for the training of technical men, it was adopted with the modification that technical institutes of various grades should be established in this country.

(3) Referring to the proposal that the National Government should appropriate adequate subsidies for the development of education in the Northwestern provinces, the session decided that the matter be referred to the National Government for consideration and execution.

TSOU LU PRESIDES AT THIRD REGULAR MEETING

"Dissensions within the Kuomintang are things of the past," declared Tsou Lu, Chancellor of the Chung Shan University and prominent South-West statesman, addressing the Fifth National Congress of the Kuomintang at the weekly memorial service in the morning of Nov. 18. "Kuomintang comrades," he added, "whether from the South or the North, have gathered here with a firm belief in the necessity of internal cohesion. Such unity cannot be achieved by means of force, but of a spontaneous common desire to stand together and face the present crisis." While emphasizing the value of spiritual unity, the South-West statesman declared that effective and concrete measures must be laid down in an endeavour to solve the crisis. A golden opportunity would be lost if the present Congress failed to formulate definite steps to save the party and the nation.

Following the memorial service, the third regular meeting of the Congress was held, which was also presided by Mr. Tsou. Fifteen resolutions relating to Party, economic, political and educational affairs, including the enforcement of strict discipline among Kuomintang members, convocation of the National People's Congress, and the promulgation of the Constitution were adopted at the session.

Six resolutions relating to economic affairs, as examined and passed on by the economic sub-committee, were also adopted by the meeting. They include:

(1) Effective protection and relief of the cotton and textile industries of the nation and the reduction of interest rate on credit loans and freight charges;

(2) Enforcement of the new salt law which was promulgated but not yet enforced, and the increase of salt tax rates;

(3) Development of cotton industry and general agricultural relief of Kansu;

(4) Fixing of a time limit for the completion of the Lunghai Railway;

(5) Development of afforestation and conservancy work in Kansu; and

(6) Mapping out of a comprehensive conservancy program for the whole nation.

The above six resolutions have been referred to the National Government for execution.

Three reports concerning educational affairs, as examined and passed on by the educational sub-committee, were adopted by the meeting. There are

(1) The granting of subsidies to overseas Chinese for the opening of schools for public education.

(2) The promotion of athletics and sports; and

(3) The protection of good education.

Recommended by the presidium, the Fifth National Congress adopted at the session a set of twelve commandments for the observance of the rank and file of the Kuomintang. These commandments are:

(1) Be loyal and brave to your country;
(2) Observe filial piety and be obedient towards your elder kinsmen;
(3) Be kind and love your associates and fellow men;
(4) Be faithful and always keep a sense of justice in building up your enterprise;
(5) Be peaceful and amiable toward the world at large;
(6) Always behave right and observe the proper rituals;
(7) Keep your sense of responsibility by conscientiously obeying the orders of your superiors;
(8) Be diligent in your labor.
(9) Keep yourself clean: cleanliness is the foundation of a strong body;
(10) Reap happiness by helping others;
(11) Build up your stock of knowledge in order to better serve the world;
(12) Persevere in your work in order to ensure its success.

34 RESOLUTIONS ADOPTED AT FOURTH REGULAR MEETING

The fourth regular meeting of the Fifth Kuomintang National Congress was held at 9 a. m. Nov. 19 and lasted until early in the afternoon, at which thirty four important resolutions concerning party, political, military, education and military affairs were adopted. Presided by Gen. Yen Hsi-shan, Pacification Commissioner of Shansi, the meeting was attended by 482 C.E.C. and C.S.C. members and party delegates.

Of the thirty four resolutions, sixteen concern political administration of the country, nine deal with educational matters, seven bear on economic affairs, while two centre on military question. The group of resolutions on economic matters includes:

(1) Prompt and energetic enforcement of the Kuomintang land policy.

(2) Establishment of a National Land Bank to facilitate land administration finance.

(3) Extension of effective relief for the nation's commercial and industrial enterprises.

(4) A nation-wide campaign to stimulate national production as made possible by and with special reference to the new currency policy recently decided by the Government.

(5) Establishment of a Water Conservancy Ministry as a separate department of the Government to exercise national control of the country's conservancy work.

(6) Extensive employment of technically trained overseas Chinese to help the nation's reconstruction work.

(7) Readjustment of the Chinese Maritime Customs Administration, with a view to increasing revenue receipts and slashing unnecessary expenditures.

The sixteen political resolutions deal variously with opium suppression, discipline of public functionaries, rehabilitation of border places of Honan, Hupeh, and Anhwei provinces, the strengthening of the organization of the National Government, the co-ordination of the Government departments, the encouragement of private reclamation of the Northwest, the prohibition of public functionaries from occupying concurrent posts, the development of the Hainan Island, the promotion of the New Life Movement, the purgation of corrupt officials, and so forth.

The resolutions concerning educational matters include:

(1) Revision of the nation's educational system so as to give greater emphasis on technical education.

(2) Promotion of public education.

(3) Fixing of a definite policy for the grading of education.

(4) Establishment of more primary schools in rural districts.

(5) Compilation of text books and reference books on civic training.

(6) Promotion of everseas Chinese education.

(7) Handing over of the present site of the Chinan School in Nanking to the Chinan Alumni Association.

(8) Promotion of education in Sinkiang.

(9) Encouraging of Sinkiang students for them to pursue higher studies in the capital.

The two military resolutions concern first tthe delimitation of pacification areas of Hupeh, Honan and Anhwei Provinces and second the enforcement of the conscription law.

Upon the recommendation of the presidium, a committee of twenty-five was appointed to examine questions concerning the convocation of the National People's Congress and the promulgation of the draft Constitution.

KWANGSI ARMY LEADER POSTPONES TRIP TO NANKING

During the week-end last week, various reports were in circulation stating that General Li Tsung-jen, Commander of the Kwangsi Provincial Forces, was coming to the Capital to attend the 5th National Party Congress and General Li personally dispatched a telegram to Dr. H. H. Kung, Minister of Finance, accepting the latter's invitation to make a trip to Nanking from the South. But on Nov. 17, it was definitely reported that owing to pressure of duties, General Li had decided to postpone his trip.

HSIAO FU-CHENG WIRES NANKING ON NECESSITY OF COOPERATION

A telegram pledging wholehearted co-operation with the Central authorities has been received from Hsiao Fu-cheng, chairman of the Siam branch of the Kuomintang Headquarters and a leading member of the Southwest Political Council. Mr. Hsiao's telegram, dated November 9, was addressed to Lin Sen, Chairman of the National Government, Yu Yu-jen, President of the Control Yuan, Tsai Yuan-pei, president of the Academia Sinica, Chang Ching-kiang, veteran Party leader, and Chang Chi, C.S.C. member.

HU HAN-MIN ANNOUNCES READINESS TO RETURN TO CHINA

Replying to the telegram sent by the Fifth National Kuomintang Congress requesting his immediate return to China to aid in solving national problems, Hu Han-min, veteran Southwest leader and former President of the Legislative Yuan, declared that he would return as soon as "my health shows some slight improvement."

"Since I have long identified myself with the Kuomintang," Mr. Hu Han-min's reply adds, "how dare I not join my comrades in their struggle for the country's sake?"

Contrary to current reports, Dr. Wang Chung-hui, judge of the Permanent Court of International Justice at The Hague, is not returning to China owing to pressure of duties.

Eugene Chen, former Minister of Foreign Affairs, is on his way to Hongkong from the South Sea Islands, according to a report in *Shun Pao* November 20. After his arrival at Hongkong, Mr. Chen will proceed to Nanking.

WANG CHING-WEI DECLARES HE WILL CONTINUE TO WORK FOR REVOLUTION

Interviewed by a representative of the *Central News Agency* on Nov. 1, Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs, declared in part as follows:

"After all, the sacrifice of a revolutionary's life is nothing to be regretted; expecially now during the national crisis it is no fortune to live.

"Now that I live, it is not necessary for me to tell you that as long as I have one breath in me I will unceasingly continue with my work in the cause of the revolution as I have done for more than 30 years."

President Wang Ching-wei left the Central Hospital at about 4 p.m. Nov. 20 and directly proceeded to his private residence near the Sun Yat-sen Mausoleum Park for further recuperation. President Wang has been staying in the Central Hospital since November 1 for the treatment of his injuries sustained during a shooting outrage at Nanking.

CHINA SAID READY TO DISCUSS THREE-POINT PROGRAM WITH JAPAN

Rengo reports from Tokyo Nov. 19 that China is prepared to enter into pourparlers with Japan for active co-operation between the two countries on the basis of the three-point program of Koki Hirota, Japanese Minister for Foreign Affairs. Information to this effect was conveyed Mamoru Shigemitsu, Vice-Minister for Foreign Affairs, by Ting Shao-chi, Chhinese Charge d'Affaires. According to *Rengo*, Mr. Ting declared that the Chinese Government was in fundamental accord with the principles enunciated by Mr. Hirota. These are:

1. The suppression of anti-Japanese movements in China.
2. Creation of a system of co-operation between China and her immediate neighbors, Japan and "Manchukuo."
3. Joint measures to be undertaken by the three countries towards preventing the spread of Communism in the Far East.

The Chinese diplomat is further understood to have drawn Mr. Shigemitsu's attention to the statements of Gen. Chiang Kai-shek before the Fifth Kuomintang Congress stressing China's desire to promote her friendship with Japan as evidence of China's sincerity. Mr. Ting is also said to have denied the rumors that heavy Chinese troop concentrations were under way at strategic points as an act of defiance towards Japan in connection with recent events in North China and in Shanghai.

TOKYO TAKES SERIOUS VIEW OF TROOP MOVES IN HONAN

The concentration of Chinese troops in Honan forms a violation of Sino-Japanese agreements in North China and threatens peace and order in the region, a spokesman of the Japanese Garrison in Tientsin declared Nov. 15, reported *Rengo*. The Japanese Army takes a serious view of the situation, and Major-General Hayao Tada, Commander of the Garrison, would soon make an important statement on the subject.

The reported concentration of the Nanking Government's troops in North China brought forth a declaration by a spokesman of the War Office on Nov. 15 that Nanking should not have sent its armies northward before giving a formal reply to Japan's proposal for joint Sino-Japanese campaign against the communists. The spokesman doubted the Central Government's explanation that the troops were sent to check the Sovietization of the North-western provinces.

ELEVEN TRINLOADS OF JAPANESE TROOPS ARRIVE AT SHANHAIKWAN

A *Kuo Min* message from Tientsin states that up to the present (Nov. 17), eleven trainloads of Japanese troops and two armored cars have arrived at Shanhaikwan station from Chinchow, western Liaoning, equipped with tanks and large quantities of ammunition and military supplies, the 2,000 newly arrived Japanese soldiers have commandeered private houses for their quarters. The inhabitants of Shanhaikwan, alarmed the persence of the Japanese troops, have removed in great numbers to the surrounding villages.

PEIPING MAYOR DENIES NEW DEVELOPMENTS IN NORTH CHINA

There has been no new development in Sino-Japanese relations in North China, declared General Chin Teh-chun, new Mayor of Peiping, in a press interview on now 15. The present visit of General Iwane Matsui, former member of the Japanese Supreme War Council, to Peiping, according to General Chin, is purely for sightseeing and investigation purposes. Assuring his interviewers that he will do his utmost to develop the municipality of Peiping, the Mayor urged that the press should exercise great precaution in publishing news so as to avoid mis-understanding on the part of the public. It has always been his policy to promote friendly relation with any foreign nation, General Chin further asserted.

JAPANESE AIRPLANE LANDS AT FOOCHOW FROM FORMOSA

Japanese aviation blazed a new rohte in Far Eastern skies on Nov. 19, when the "Wild Goose," a Fokker monoplane belonging to the Japan Air Transport Co., arrived at Foochow from Formosa on a goodwill visit. The large tri-motor landed at the local airport of 10.55 a.m. after circling over the city. The flight, which forms part of the program commemorating the fortieth anniversary of Japanese administration of Formosa, began at the Taihoku airport at 9 a.m. The trip is held by Chinese and Japanese officials as auguring for the future extension to Foochow of the present Kyushu-Formosa line. The Fukien provincial government presented the pilot and the mechanic each with an ancient shield.

Famine and Plague Still Ravage Central China Flood Areas

(BY THE REVIEW'S HANKOW CORRESPONDENT)

IN spite of the huge sums spent by the national and provincial governments and by private organizations to relieve the acute famine conditions in the Central China areas, latest reports from the Han river valley northwest of Hankow reveal the fact that bubonic plague has broken out among the flood refugees and that thousands are on the verge of starvation.

1935 Flood Worse Than 1931 in Rural Areas

In 1931 Hankow and Wuchang suffered much worse than in 1935, when the flood waters of the Han and Yangtze rivers were held off by the brave and efficient efforts of the municipal and provincial authorities. However, this year the rural areas in the Han river valley have had to bear the brunt of the ravaging torrential floods. Not only have the farmers lost their homes but in thousands of cases whole farms have been devastated by the encroaching sands swept over the rich fertile land by the swift flood waters of the unharnessed Han river.

Winter Crop in the Han River Valley Ruined

Due to the fact that the Han river receded very slowly the winter crop was not sown in many localities. In others, the reason was lack of seed and shortage of draft animals for plowing. Millions of people are affected by this and some of the more conservative estimates place the number of those who will starve to death this winter at a million or more.

Hupeh Rural Cooperative Society Organized

To alleviate the sufferings of the countless millions who will soon be on the verge of starvation, the provincial authroities have organized new branches of the Hupeh Provincial Rural Districts' Cooperative Society, besides reopening many of the former branches closed by the flood. Relief measures will be planned for the populace and seeds and draft animals will be supplied through this cooperative means. Also the Cooperative will lend money to the needy farmers at lower rates of interest than obtain elsewhere in their respective area. This will no doubt prove a great boon to the stricken rural areas and government officials and private organizations are assisting in the work of rehabilitating the flood areas.

Bubonic Plague Stalks Abroad in Flood Areas

Bubonic plague, the curse of flood and famine areas, has put in an appearance once more in the Central China area. This time it is in the wake of the worst flood known in the Han river valley. Thousands of cases are reported from this area, which together with other serious diseases are challenging the efforts of a staff of medical officers, allocated to the Central China area by the Nanking government.

Government Aid Not Able to Cope with Situation

Beause of the huge number of people affected in the Central China area, and due to fact that flood conditions just at present are worse in the southern Shantung and northern Kiangsu districts, the funds available for Hupeh province, although huge in comparison with amounts formerly doled out by the government, come far short of what is most urgently required. In most instances the money given per person only amounts to twenty or thirty cents. This makes it necessary for the people on the whole to rely on their own resources as far as possible.

Wild Grasses and Herbs Mixed With Food

Whereas one "shen" of beans would normally suffice for two persons a day, the same amount is now made to stretch over a period of about three days, the beans being supplemented by wild grasses and herbs. This no doubt accounts for one of the fundamental reasons why the Chinese as a race have been able to survive to this day. In the day of calamity they do not lose heart but make the most of what little there is, often with a smile; and they no not require much food to keep body and soul together.

Christians and Buddhists Aiding Refugees

Not only is the government taking an active hand in relief measures for the flood sufferers in Central China, but Buddhist and Christian organizations from the very beginning have been studying the needs and requirements of their respective centers. Having found out the most pressing needs they have in turn appealed to their respective organizations for help. However, since the government has responded so well to the immediate needs of the people, these private organizations as a rule have limited their ministrations to the down-and-outs in their own area. Medical attention is being given to worthy cases at every Christian hospital in this huge area. The individual cases, being most difficult to deal with for government medical units, are thus placed in good hands. There is new spirit of active cooperation shown by government officials with respect to medical work in China as a whole and this new attitude is reflected in the measure of cooperation shown in the flood areas of Hupeh.

Controlled Currency in Hankow

The government is proving successful in its new policy of managed currency also in the Wuhan district. With the many new problems confronting it, the new policy up to the present has not been confronted with insurmountable difficulties. The amount of money in the various vaults is estimated at $20,000,000.00. Instead of shipping this amount to some central place in China, the policy at present is to seal up the silver stocks in the various bank vaults in Hankow.

Nor are the individual banks requested to hand over their stocks of silver to the central organizations before these are able to take over the private note issues. It is estimated that this will be done next April.

How to Induce Farmers to Use Paper Money?

The only fly in the ointment regarding the centralization of silver stocks is the simple fact that the Chinese farmer is accustomed to handling silver dollars and will look askance at paper money, easily recalling the devaluation of paper money in the halcyon days of the Communist regime in Hankow, 1926-27. However a definite attack is being planned on this hesitant and somewhat skeptical attitude of this huge section of the country.

Post Office And Telegraph Branch Offices to use Paper

For the present silver coins are being used by the peasants. However, the post office and telegraph branch offices are being instructed to introduce paper money in the various districts. Gradually the government hopes to build up confidence in the notes issued by the three big national banks. The changeover will take some time and the officials charged with this matter are approaching the problem with utmost caution.

Hupeh Provincial Bank to Issue Copper Notes

To relieve the shortage of coppers in the Wuhan area, the Hupeh Provincial Bank will shortly issue 10 and 20 Copper Notes. It is hoped that this will ease the situation and bring about a much desired reform as well. These notes will be similar to ones used at Kuling, to the great convenience of summer guests. This will definitely do away with the need of carrying pounds of coppers on one's person when out shopping. Providing these notes are adequately covered by copper reserves, they should prove a long desired boon to the Wuhan public.

Smuggling of Copper Out of Wuhan Punishable

The provincial authorities have proclaimed an emergency measure for the stabilization of currency. Export of coppers from the Wuhan center is to be punishable as a serious offense and violators moreover, will have their stocks of copper confiscated.

Many Flood Refugees at Nanking

A total of more than 3,600 refugees is being given food and shelter at the relief camps in Nanking it is announced. The daily consumption of food totals 24 piculs of rice.

Hankow, Nov. 18, 1935.

Sino-Japanese Trade Association Will Be Organized Dec. 5

A Sino-Japanese Trade Association has been formed as a result of the recent visit of a Chinese Economic Mission to Japan. The Association is scheduled to be formally inaugurated here and in Tokyo on December 5. The three Chinese members on the joint committee are Chow Tso-min, general manager of the Kincheng Banking Corporation; Y. M. Chien, general manager of the Joint Savings Society; and Yui Tso-ting, chairman of the City Chamber of Commerce.

According to the draft rules and regulations governing the organization, the purpose of the association will be to investigate economic conditions and map out measures for the development of each other's trade. The organization in China will be called the Chinese-Japanese Trade Association, while its counterpart in Japan will be called the Japanese-Chinese Trade Association, with their respective headquarters in Shanghai and Tokyo. The association will hold a general conference once each year alternately in Shanghai and Tokyo, but with the approval of the board of directors emergency meetings may be called whenever necessity arises.

Three Drug Dealers Executed at Hangchow

Three notorious drug manufacturers, who had conducted a narcotic business for more than 10 years in Chekiang Province, were executed at Hangchow early last week. One of them was 75 years old and had accumulated debts amounting to over $100,000. A quarrel with his accomplices over this sum resulted in their arrest and subsequent execution.

A case of opium smuggling was discovered at the Railway Station in Hsuchow, Nov. 9, when, as the result of a search of the luggage of passengers, more than 3000 ounces of opium were found. The smuggler was arrested and handed over, together with the opium seized, to the Opium-Suppression Supervisory Bureau.

The Principal Problems Before the Kuomintang Conference

BY C. Y. W. MENG (孟 昭 水)

FOLLOWING the Sixth Plenary Session of the Central Executive Committee and the Central Supervisory Committee of the Kuomintang, or the "Nationalist Party" of China, the Kuomintang Congress is now in session in the Capital. The avowed purpose of the Congress, on the one hand, is to discuss the many national problems facing China today; and on the other, to discuss the adoption of a permanent constitution for China. The proposed Five-Power Constitution was first drafted by the Legislative Yuan, but has lately been revised in accordance with the "Five General Principles" laid down by the Standing Committee of the Central Executive Committee.

We remember Dr. Sun Fo, President of the Legislative Yuan, in his "Outlines of National Salvation," (submitted for the consideration of the Party leaders and the Government, after the outbreak of the Mukden Affair on the fatal night of September 18, 1931) pointed out the urgent necessity of adopting a permanent constitution for China, so as to achieve national unity. It is also the general belief of the public that by adoption of a permanent constitution, China would soon become a truly democratic nation, that China would soon have peace, and that China would enter her Period of Enlightenment. So, today, we find much talk about the termination of the Period of Political Tutelage; abandonment of one-party rule, return of political power to the people, etc. So the framers of the constitution spent almost two solid years to make the constitution "as perfect as possible" to provide many "rights" and "securities" for the people; to define as clearly as possible the powers of the executive, the functions of the central and local governments, and to make the constitution the supreme law of the nation which all must obey. While we have to appreciate the efforts of the framers who have rendered a service to China no less notably than Dr. Hugo Preuss did to Germany, to enable China to enter the Period of Constitutionalism, we have, nevertheless, to point out that our framers, as well as our politicians, have apparently neglected some other phases of the problem.

Analogy of the Situation

Let us ask: What is the present situation in China today? Like our Sister Republic (America), China is now facing, to use the same term in American history, the most "critical period" in her history. It is called the most "critical period" in American history for the reason that after the Revolution when the country was in a most chaotic state, if America, during such period, would adopt a strong centralized government capable of governing within and facing diplomatic negotiations without, America would soon settle down. But if America, during such period, would first have a decentralized form of government, America would have to witness many years of internecine warfare, and the making of a more "perfect union" would be impossible. The American politicians took the right alternative, thus the whole critical situation was saved by their far-sightedness. The result, as summed up by American historians, is that peace was secured with foreign countries, credit restored abroad and the finances set in order at home, a navy created, domestic manufactures encouraged and foreign trade stimulated. After a period of development and when the situation was more settled the Americans gradually changed and adopted the decentralized form of government. But in enforcing the strong centralized form of government at first, President Washington was reviled as a "tyrant," "dictator," "despot," etc.

There is also a "critical period" in China, for the same reason that should the Chinese people and leaders in power today be far-sighted enough to work out and adopt a strong centralized form of government, at the present moment, China would be saved, and the Chinese revolutionists would achieve the same that the early American revolutionists did. But, if the opposite course is adopted we should witness more years of chaos, possibly leading to the extinction of our nation. China could adopt more democratic and decentralized form of government later on, but only gradually, when the general situation in the country has become greatly improved.

Our present situation not only resembles that of our Sister Republic in the past century, but also that in present Germany. Dr. Schacht, president of the Reichsbank and Minister of National Economy, in his speech at Koenigsberg on August 18 stated that Germany had been able to finance her public works because she was an "authoritarian state," whereas under a parliamentarian system it would have been impossible to carry out that task. There is certainly much truth in this remark. Germany's budgetary deficit is probably much larger than that of France, but nothing is said about it in the German press in public speeches. In France whenever Parliament discusses the budgetary deficit there is bound to be a Cabinet crisis and a financial panic. But in Germany it is not so. As a result of the many German government actions, "economic recovery in Germany since the beginning of 1933 has undoubtedly gone further than in any other country!" concludes the leading economic expert.

Does China Want Dictatorship?

A comparative and historical study of the Chinese, American and German situation should be sufficient to remind the Chinese people and leaders that the adoption of a constitution for China, modeled from the West of the 19th century type, does not mean necessarily the salvation of China; but, on the other hand, due to our present condition, it does not necessarily mean that the latest political system in the form of "dictatorship" to meet the emergency is altogether unwanted by China today! Therefore, our framers of the constitution as well as the leaders in the country should study more the reality of the situation, instead of talking so much about the "bill of rights", "rights of the people", etc., so prevalent in the mind of the framers of 19th century; and to study more the theory of the "authoritarian state" of the 20th century.

Today we find in China many corrupt officials. This is true particularly in the military and commissary departments. That the directors of the departments whose official salary is not more than $300 per month, could easily become rich people in a couple of years indicates that the "squeezing practice" is quite rampant in China today. Today we find China has many opium smokers. But we believe that the punishments provided in the Chinese Criminal Code, modelled from the criminal theory of the 19th century from the west, are too light and will not help China to eradicate the evils, so harmful to the country. Only under a dictatorship, will China be able to introduce the many forms of "special laws", such as Anti-Squeezing, Anti-Opium Regulations, etc., made and enforced by the dictator, which should supersede all other laws, and which should provide the death penalty to every corrupt official or opium smoker. The dictator could do the same with other evils.

Old systems and manners still prevail. In funeral services, we still see the long antiquated processions, which remind us only of the backwardness of China. The government has never taken any action to suppress this Custom just because it would "violate the rights of the people". But under dictatorship, such action and rights of the people could be abolished when the dictator thinks that the progress of the nation is more important than individual rights.

Today we find that the Chinese bankers are the richest people in the country. A walk around the thoroughfares of the Capital will remind one the many mangnificent and foreign-styled buildings owned by the Chinese banks. These buildings are let out for high rentals. It is indeed the "income unearned by work" and the "thraldom of interest", which should be put an end to! And it is equally clear that the Chinese farmers, who constitute 80% of the Chinese population, are the most miserable people in the country. It is also clear that China has the largest number of unemployed. No government can last long if it does not take immediate steps to assist the majority of the miserable people and the unemployed. But no financial assistance and reconstructive projects can be undertaken so long as China's treasury is always emptly. Under dictatorship, when funds are needed for national purposes, the "resources of banks, savings banks, insurance companies, and other financial institutions are simply commandeered." The government could issue further billions of bondnotes, and the banks would be simply called upon to take them. The government could take many other official actions to control industry and private businesses. But under the parliamentary system of the 19th century such actions would have aroused vehement "protests", "oppositions", etc., from the people, on the ground that their "rights", "freedom", etc., are being violated by the government! Nanking is certainly in a better position to tell us the difficulties the government has experienced when it issues a few millions worth of bondnotes. Thus Nanking has urged the Chinese bankers to invest more of their capital in the rural rehabiltation of the country, but so far it is a flat failure. It is because, under the paraliamentary system, such action is only voluntary, and could not be made compulsory, as it would be under a dictatorship.

To us, the impossibility of having a democracy in China is far greater than that of having a dictatorship, for the simple reason that to have democracy requires the prerequisites of general education, good means of communications, and strong political parties, while for a dictatorship only the strong personality of the dictator is sufficient. Under present conditions in China, dictatorship is far more efficient and needed than democracy. Under a dictatorship, by virtue of the "Emergency Power" vested in the dictator the dictator could accomplish far more than the president under a parliamentary system, or the chairman under the committee system.

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Policy Agreeable to the Public Essential

In the past, some Chinese leaders might have aspired to the post of dictator of China. But one of their great shortcomings is that: First, the Chinese leaders did not first seek for the Emergency Power from the Legislature or the people, which would have authorized them to do something as they think fit. The failure to take this step results in making the regime a dictatorship in some ways, but not a dictatorship in form, in substance and in effectiveness. As a result, their actions have aroused the bitter opposition of the nation, largely due to lack of legal authority for their actions. Secondly, their policy in the past was not the one that would win the support of the people, or that would qualify them to be the dictator of China. No dictator could rule the country, so long as his policy fails to win the support of the people. Under the monarchical system, the ruler could rule the country irrespective of public opinion, but the dictatorship differs from the monarchy in this that the latter must first win the support of the people before he could carry out the dictatorial rule.

So, to us, the pressing problem before the Kuomintang conferences is no sot much discussing, drafting, and re-drafting the permanent constitution for China, but rather, the formulation and adoption of a strong centralized form of government for China to save China from the present crisis; and, besides they should formulate and adopt some definite national policy, which, on one hand, should win the support of the people, and on the other, should call for the "common interest before self-interest", and should establish an "authoritarian state" which could undertake many of the tasks which would have been impossible under the parliamentary system.

Nanking, November 12, 1935.

Ambassador Johnson Here to See Vice President Garner

Nelson T. Johnson, American Ambassador to China, returned to Shanghai this week from Nanking in preparation to welcome J. N. Garner, American Vice-President, and the American Congressional Party who are scheduled to pass through Shanghai on Nov. 25 on their way back to the United States aboard the Dollar liner *President Jefferson*. In view of his short stay here, Mr. Garner, in a telegram sent to the local American Consulate-General from Manila, has declined all receptions planned by various local Chinese and foreign groups. These include the one planned by the China Institute of International Relations and 10 other Chinese public bodies to be given on Nov. 25.

Philippine Commonwealth Inauguration Takes Place as Per Schedule

The new Philippine Commonwealth was formally inaugurated as per schedule Nov. 15 when, after a proclamation signed by President Roosevelt terminating the American Administration in the Islands had been read, Manuel Quezon, President of the new Government, and Sergio Osmena, Vice-President, were sworn into office. Manila was en fete on the occasion of the ceremony.

President Wang Ching-wei Congratulates Manuel Quezon

On the occasion of the inauguration of the new Commonwealth of the Philippines Nov. 15 a message tendering felicitations was cabled by President Wang Ching-wei, concurrently Minister of Foreign Affairs. to Manuel Quezon, President of the Philippine Commonwealth. Teng Chung-ying, Chinese Consul-General at Manila, acted as China's delegate at the inaugural ceremonies.

Hirota Congratulates New Manila President

In a message of congratulations to Manuel Quezon, who was installed as the first President of the Philippine Republic Nov. 15 Koki Hirota, Foreign Minister, made a pledge that Japan "will not aid foreigners engaged in plotting against the legitimate government of their countries." The message was cabled to Hiroshi Saito, Japanese Ambassador to Washington, for conveyance to the new Philippine Government through the United States Department of State.

U.S. War Secretary Dern Departs from Philippines En Route to America

George H. Dern, United States Secretary of War, who represented President Roosevelt at the inauguration of the Philippine Commonwealth, departed from Manila Nov. 16 aboard the *U.S.S. Chester* en route for America via Iloilo, Cebu and Zamboanga. Mr. Dern was accompanied by his wife, his son and his aides.

Japan To Send "Goodwill Envoy" To Manila

Rengo states that in the quest for closer cultural relations with the new Philippine Republic, Japan will send a "goodwill envoy" to Manila early next year. Marquis Tokugawa, a member of the House of Peers and President of the Japan-Philippine Society, and Viscount Nagakage Okabe, member of the Upper Chamber and Chairman of the Chairman of the Board of Director of the Society for the Promotion of International Cultural Relations, are mentioned prominently in Gaimusho circles for the post.

Public Bodies in Kwangtung and Kwangsi Want Rapprochement with Nanking

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

NOT since October 1931 has there been a stronger demand from public bodies in Kwangtung and Kwangsi for a peaceful settlement of all outstanding Canton-Nanking controversies to pave the path for a real rapprochement with the Central Government. The attempted assassination of Wang Ching-wei (President of the Executive Yuan and Foreign Minister) on Nov. 1 has convinced the Southerners that the time has come for internal solidarity in view of the imminent separation from China proper of the five provinces north of the Yellow River and the peasants' uprising in Hsiangho.

Hence when the two Nanking peace emissaries, Messrs. Tai Chi-tao (President of the Examination Yuan who was formerly Chancellor of the Canton Chungshan University) and Ma Chao-chun (Nanking's Mayor and formerly Canton's parliamentary candidate in Peiping) arrived in Canton by airplane last week they were given a most cordial reception. An atmosphere of friendliness and conciliation marked the subsequent discussions between them and the foremost South-west leaders such as Generals Chen Chi-tang, Li Tsung-jen, Messrs. Liu Chi-wen (formerly Nanking's Mayor) Chow Lu, Hsiao Fu-chen and others.

Peace Envoy's Diplomatic Triumph

It is indeed a source of much encouragement to all wellwishers of a unified China to hear to-day that the peace conference has been a supreme success. The peace agreement was signed between the delegates representing Nanking and the South-west Government leaders in the hall of the South-west Political Council (the highest official body for Kwangtung and Kwangsi), thus terminating the threatened dissension between Nanking and Canton which had its origin since early 1931.

The peace terms include Kwangtung and Kwangsi's pledge of loyalty to the Central Government and to support all Nanking's bills at the forthcoming Fifth Kuomintang National Congress. It is interesting to note that General Li Tsung-jen (Commander-in-chief of all Kwangsi armies) signed the peace agreement on behalf of Kwangsi and that Chow Lu signed for Canton.

The foremost conditions also inlcude a Nanking promise to permit the continued functioning of the South-west Kuomintang Executive Committee in Canton and the South-west Political Council which, although they existed since 1931, were never recognized as respresentative bodies by the Nanking regime. Correspondence exchanged between Nanking and Canton since 1931 never before had recognized the South-west Political Council as the highest political authority. These two Councils are further permitted to continue their administration of Kwangtung and Kwangsi's political, military, financial and Kuomintang affairs. In this connection these two sourthern bodies will act as agents of the Central Government.

The Nanking Government agrees to recognize also the Kuomintang departments in places outside Kwangtung and Kwangsi which were sponsored by the South-west Kuomintang Executive Committee. One of the most important terms (which was not published) is the Nanking concession to Canton promising that in the forthcoming election of members for the Kuomintang Central Executive and Supervisory Committee some Canton members will be included.

Of interest also is the Nanking promise to issue an invitation in the name of General Chiang Kai-shek and the sixth plenary session of the Kuomintang Central Executive Committee asking Hu Han-min to return to Nanking.

There is a strong belief in Canton that with the assembly in Nanking of Generals Chiang Kai-shek, Feng Yu-hsiang and Yen Hsi-shan the Fifth Kuomintang Congress will decide such important matters as the election of a President for China and a stronger foreign policy. There is even rumor current that before the opening of the Fifth National Congress General Feng Yu-hsiang may visit Canton to discuss certain important aspects of internal solidarity among the Kuomintang factions.

After the conclusion of their peace mission, Messrs. Tai-Chi-tao and Ma Chao-chun departed for Nanking by airplane yesterday morning.

From reliable circles your correspondent learns that General Li Tsung-jen may proceed to Nanking as one of Canton's congress representatives, who will include Liu Chi-wen (Mayor of Canton) Chow Lu (foremost member of the South-west Political Council) and Huang Ku-cho (Chairman of the Kwangsi Provincial Government).

Canton Supports Nanking Monetary Policy

The silver nationalization scheme of the Nanking Government has been accorded full support from the Canton Government. In adddition to its enforcement of strict measures preventing unscrupulous persons or banks' smuggling of silver out of Kwangtung the Government has sent its men to guard all approaches to the foreign settlement in Shameen. Through its Treasurer, Ou Fong-pu, the Government has announced its intention to call in all silver, paying $1.20 in paper money (notes issued by the Government controlled Municipal Bank or the Kwangtung Provincial Bank) for every dollar in Kwangtung subsidiary coins and $1.44 in paper money for each Shanghai dollar.

The Government edict stresses the point that henceforth only notes issued by the Kwangtung Provincial Bank and the Canton Municipal Bank will be regarded as legal tender. To give effective control to the silver nationalization scheme the Government is organizing a Reserve Board of fifteen to nineteen men representing the Government public bodies, the Chamber of Commerce and banks. Following Canton's change on November 7 the same day, the Macao Government issued a decree prohibiting the export of all silver coins or bars, adding that if found necessary the Macao Government will issue its own subsidiary coins for circulation only in Macao, as it has been found that there is a shortage of twenty cent pieces in Macao.

At the time of writing great confusion exists among the commercial and native banks in Canton which have suspended operations since November 7 awaiting a clarification of the Government attitude and foreign reaction.

A state of great nervousness among the bankers prevailed for some hours on November 7 when the Government monetary plan was announced and thousands of citizens, hearing that silver coins were prohibited from daily ciruclation and that only notes of the two Government banking institutions were permitted in the Commercial markets, besieged the Kwangtung Provincial Bank and the Municipal Bank tendering their coins for paper notes. For sometime there was fear that the Government had not enough paper money at its disposal to meet the emergency.

At the Municipal Government the authorities declared that payment for each individual asking for ten cent Municipal Bank notes shall not exceed the amount of $2, while for those asking for $1 paper notes or notes of higher denominations an unlimited amount was available.

$100,000 in Fifty-cent Notes

Enquiries show that the Municipal Bank has only $1,000,000 worth of ten-cent paper notes in circulation in Canton City, which is deemed to be inadequate. The Municipal Bank is putting into immediate circulation $100,000 worth of fifty-cent paper notes.

The position of the senior Government bank, the Kwangtung Provincial Bank, is slightly different. The Provincial Bank has a total of $30,000,000 paper money in circulation, as compared with the much smaller of amount of $5,000,000 in notes at the disposal of the Municipal Bank.

The Provincial Treasurer, Ou Fong-pu, is in constant conference with the leading bankers in Canton in an endeavor to explain to all merchants and firms the intention of the Government. Interviewed, Ou Fong-pu said that even the smallest business transactions should be done in paper notes. He explained that there were enough copper cents or ten-cent notes or fifteen-cent Muncipal Bank notes in circulation to meet the public demand. He said that the Government monetary scheme would be extended to all Kwangtung districts, where the Government would establish exchange centers to absorb all the silver coins by paying out $1.20 in paper notes for every dollar's worth of silver tendered. Exchange centers would probably be opened in Swatow, Pakhoi, Hoihow, Kongmoon, Namhung and Waichow, etc.

Answering the American comment that "there is a great temptation for the Chinese Government to make good this shortage of circulating silver by issuing an excessive volume of unredeemable paper money," as expressed in the editorial columns of the *Wall Street Journal*, which also said that the entire silver stocks throughout China "will probably disappear into hoards and cease to circulate," the Kwangtung Treasurer explained to newspaper correspondents that the Government had not the least intention of increasing its present issue of paper notes. Any issue of notes in future would be in hands of the Reserve Board, comprised of responsible government leaders and influential bankers. The Government is drafting regulations governing this Reserve Board which will be published for public consideration within one or two days. In other words the Treasurer gave assurance against any run-away currency inflation in South China which may result in the flooding of the markets of unredeemable paper notes, for which there is no adequate security.

But there is little doubt that the public interprets the Government policy as being inflationary as already there has been an increase by some twenty per cent in prices of most daily necessities and commodities in Canton.

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Commodity Prices Appreciating

A comprehensive survey of the Canton market shows that both foreign and native goods jumped considerably in price after the announcement of the nationalization of silver. Prices of rice increased by 20 per cent. American and Canadian flour and beans by 15 per cent, kerosene by $2 per tin, foreign paper, sundry goods, medicines, rayon and glass-wares are among the articles which showed a sudden increase in prices all round. Despite the Government assurance that these price increases can be effectively checked, once stablization of the Canton paper currency is achieved in terms of foreign currencies, some circles are highly sceptical over the future of the Canton paper money policy.

Since Nov. 7 Hongkong dollars in Canton and American dollars have appreciated sky high. At one time on November 7 Hongkong moeny gained a premium of $700 for each $1,000; in other words for every $1,000 Hongkong money one got $1,700 in Canton paper money, which is the highest record of all times. A week ago it took $3.20 Kwangtung silver to secure $1 in American currency, to-day it touched the high mark of $4.10. It is, however, a source of gratification that the Central Government's supervised banks' notes such as notes of the Central Bank and the Bank of China are actually appreciating in value against the Canton silver or Canton paper money and this shows that the Southerners still have much confidence on their Central Government.

Canton, November 9, 1935.

Monnet B. Davis Will Take Over U.S. Consulate General End of This Month

Monnet B. Davis, formerly United States Consul-General in Stockholm, will become Acting United States Consul-General in Shanghai at the end of this month. Mr. Davis will succeed Edwin S. Cunningham, who officially retires from the consular service at the end of this year, but who will give up his office at the end of this month. Mr. Cunningham plans to sail for the United States on December 21.

Under present instructions from Washington, Mr. Davis will serve as Acting Consul-General until the end of this year. The present indications are that Mr. Davis will then be permanently named Consul-General.

British Ambassador to Tokyo Passes Through Shanghai Enroute to Hongkong

Sir Robert Henry Clive, British Ambassador to Tokyo, arrived in Shanghai from Japan Nov. 19 enroute to Hongkong to join his wife, who arrived in the Colony on Nov. 22, on a sightseeing tour to Manila. Accompanied by his wife, Sir Robert will again come to Shanghai for a longer visit around the middle of December on his way back to Tokyo to resume his duties there. Sir Alexander Cadogan, British Ambassador to China, who went to Hangchow for sightseeing, returned to Shanghai in time to greet the British ambassador to Japan. The Japanese papers stated that Sir Robert Clyde conferred on the economic situation in China since the institution of the new monetary system and the strong objection on the part of Japanese, with Sir Arthur Cadogan.

Dr. Cheng Postpones Departure for Germany

Dr. Cheng Tien-fan, Ambassador-designate to Germany, who was originally scheduled to leave for Berlin on November 20 to assume his new post, has postponed his departure till Dec. 25.

New Chinese Consul-General at Manila Proceeds to Philippines

Li Hao-chu, newly appointed Chinese consul-general to Manila, departed for the Philippines this week to assume his new duties there

Liu Assumes New Post in Austria

Liu Chung-chieh, until recently Minister to Germany and newly appointed Minister to Austria, has sent Loi Shao-min, First Secretary of the Chinese Legation in Berlin, to take over the affairs of the Chinese Legation in Vienna.

Tsingtao Mayor Returns to Post

Admiral Shen Hung-lieh, Mayor of Tsingtao, who has been in Nanking attending the Fifth National Congress meetings, returned to Tsingtao Nov. 17.

Wakasugi Returns to Japan

Mr. Wakasugi, until recently Counsellor of the Japanese Embassy in charge of the Peiping Office, returned to Japan this week. Interviewed shortly before his departure, Mr. Wakasugi said that his recall is a part of the reshuffling of the diplomatic service decided upon by the Gaimusho. He said that his successor has not yet been named, nor his new post announced.

Magistrate Dismissed Because of Extortion

For overstepping his authority and levying extortions on the people, Yang Liang, former District Magistrate of Fenghsien, in northwestern Kiangsu, has been dismissed from office and suspended from the civil service for four years.

Confessions of the Samurai

(Translated from Moscow Pravda, Oct. 21)

"THE International Situation of the Transient Period and Our Japan" is the title of a brochure published by the Japanese War Ministry. The authors of this brochure try to divert the attention of the Japanese people from internal affairs and direct it to the external political adventures.

"Everything passes . . . . the ideology and the States rise and fall again. Everything on earth that could be obtained is already conquered as a result of the imperialistic politics of the Powers. The world is so clearly divided among the Powers that there is no place for our activities. And the time has come to liquidate the whole culture of the past . . . ."

"The world is divided" . . . . that is the *main standpoint* of this philosophy of War, and there is no place which can be conquered, therefore the authors of the brochure advocate eagerly the repartition of the World and dream about new colonies for Japan.

We think, point out the authors, that Germany, only awaits passionately the time when her military and state-power will be strenghtened. When this time has come the international situation inevitably shall suffer great changes.

The liquidation, and partly the closure of the foreign, markets for the Japanese dumping-trade touch all parts of the Japanese economy. And this brochure pays special attention to this matter.

In fact, they consider not common trade, but mainly the possibility to get all kinds of munitions in exchange for cheap cotton stuffs. "It is really a great mistake," we read in brochure, to brand as an enemy of peace one who offers to humanity good "manufactures for a low price on account of efficient organization and production." The dumping experts appeal to justice, while backing their dumping by slavery labor of Japanese peasants and laborers.

On the Chapter "*Is the crisis finished for Japan?*" the authors approach the most vital subjects of the internal political situation of the state.

Combining cunning arguments and logical tricks the Japanese militarists follow one idea, viz., to make as much noise as possible in order to cry down the growing *dissatisfaction* and anti-war mood of the population.

"Manchukuo,"—write they,—"has had an unusually healthy development, step by step; Manchukuo is approaching the completion of paradise by its imperial principles. This success can be explained only by the united efforts of the government and 30-million population, assisted by Japan." "These united efforts" in creation of a paradise are picturesquely proved by riot suppression detachments in Manchuria and Jehol and every-day combats between rebels and Japanese troops. But the tale about "paradise" is a foreword to the next no less significant confection.

What prevents peace in Eastern Asia?

This question is answered in chapter IV of the brochure: "*The new situation in Eastern Asia,*" There are three divisions in this brochure: The U.S.S.R., the U.S.A., and China.

U.S.S.R. sold the Chinese Eastern Railway with the intention of facilitating the existing situation. However the C.E.R. "was sold with a view for prosperity." The authors now affirm that "the selling of the C.E.R. only occasionally helped to avoid one of the conflicts regarding the C.E.R." Next to this they state: "Here our attention is attracted by the existence of the immense OKDVA (Special Red Standard Far Eastern Army)." The most part of the Chapter IV is devoted to the troubles made by the existence of the OKDVA *on the territory of the U.S.S.R.* Finally, the Japanese militarists come to the conclusion that the OKDVA must be withdrawn. Really there is no reason to keep it in the Soviet Far East while in *the neighboring Manchuria is stationed a "peaceful" Japanese imperial army.* The authors of the brochure express a regret that the U.S.S.R. itself did not think about that.

In order to stimulate the U.S.S.R. the Japanese would withdraw their army from Manchuria, "*but it is impracticable for the Japanese army* to do so because order in Manchuria, maintained with such difficulty, would be violated." Although they stated before that peace in Manchuria is maintained "by the united efforts of the government and the 30 million population." This is rather illogical.

The section concerning the U.S.S.R. is an unmasked call for war.

The section devoted to the U.S.S.R. reviews the principal points of collision of the Japanese-American interests.

Briefly, it is as follows: War with the U.S.A. could have begun already in 1932. But the United States fleet was not prepared. Contrary to supposition, not only of American admirals, but "the competent circles of Japan," the Japanese fleet, in spite of limitation treaties and agreements was equal and even stronger than the U.S.A. fleet. "That was the only reason that averted war." But this crisis can come in 1939, when the Japanese fleet will be 63% as great as the U. S. fleet. Will America then keep silence regarding the situation in Eastern Asia?

In the section devoted to China the previous thoughts of the Japanese militarists are repeated. China must refuse the aid of the western Powers, "Asia is only for Asiatics." "Japan, as the stabilizing Power in the Far East" can not admit any disorder in China. And therefore will guide this unreasonable child." "Asiatic people must not be exploited by Europeans and Americans; we shall endeavor to secure equal possibilities." Japanese imperialism, propagandizing for "the union of the Yellow race against the White" not for the first time reserves the leadership of this union. These nations (people?) are exploited and oppressed by the White race; only Imperial Japan can save these nations "from the hypocrisy of the White race." For salvation these people must enter into the Union of "the great Asia" organized by Japan and recognize the leadership of Japan,

"Asia is the place of settlement of the Asiatic nations. Asia is their vital trail, Asia is ours.....If China will not reject the aid of Europe and America, it will violate the peace in Asia, and *we, Japan, will be forced to beat China, in order to call its consciousness back.*"

The incident in North China took place only because some people can not understand the essental standpoint of our Asiatic politics, and doubt the political ambition of Japan. So, the seizure of Manchuria, Jehol and North China is only the first step to the organization of "the bloc of Great Asia." And if sometimes it is necessary to use cannons and bombs in such a delicate affair it is the fault of the intractable Chinese!

The propaganda of the military-fascist chauvinism is the main standpoint of the new brochure. Chavinism characterizes Japanese imperialism in all its internal and external political actions. This brochure must explain to the broad population the necessity of "self sacrifice in the interest of the progress of Japanese continental politics."

The brochure was issued at the very moment when the Japanese militarists "organizing the great Asia" are preparing to seize from China the part of its territory several times larger that Japan itself.

The propaganda of war is carefully masked in appeal to "justice." Preparing for a "Great War" the Japanese militarists say, that "all human beings are brothers; they must love each other and help each other and there is no place for quarrel or hatred among them."

Japan's Ambitions on Asiatic Coast Closely Watched in Washington

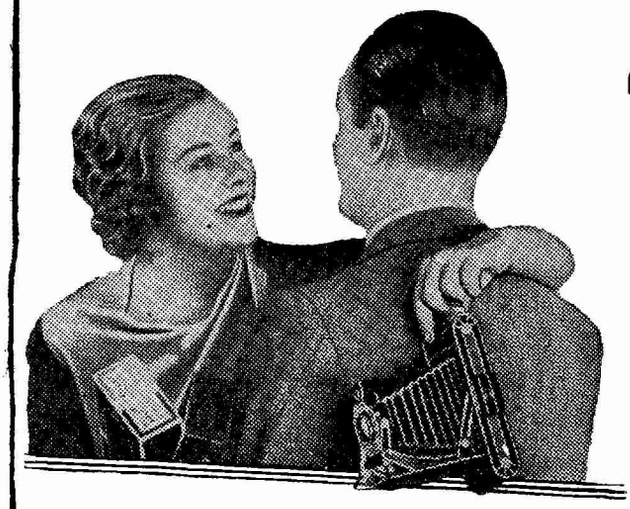
(From the "Washington Merry-Go-Round")

Colonel Matsumoto, Japanese military attache in Washington, without the bat of an eye says: "Manchukuo is a very nice country, but it has no gold. The Maritime Provinces (Eastern Siberia) have gold. They also have fish, timber, many things Japan needs. When we get ready we shall take them. This will be the first result of the Italian-Ethiopian war!" Even if Colonel Matsumoto were not so frank U.S. military and naval intelligence officers have ample reports, indicating all too vividly Japan's plans for taking not merely Eastern Siberia, but the China Coast, Hongkong and even the Dutch East Indies. In fact, the Japanese Foreign Office, one year ago, was almost as frank as Colonel Matsumoto. It was suggested to both the Dutch and the British Governments that the time might come when Sumatra and Hongkong would become a liability to their present owners and they might wish to turn them over to Japan.

This is what has furrowed the brows of naval and military strategists, and even of the President himself. But they are not particularly concerned about Japan biting off a piece of Siberia. But for Japan to march down the China coast, develop the tremendous resources of the Yangtsze Vally, the rich markets of South China, and corner the wells of the Dutch East Indies would make her not only invincible in the Pacific, but one of the most powerful nations in the world.

China Rapidly Growing Toward a New Era of Economic Freedom

An article by Dr. Paul Schwarz, former German Consul in New York, in the *New York American* Nov. 8 on the subject of "China's Struggle for Economic Equality", stated that despite many gigantic obstacles, China has been and is more so today, rapidly progressing toward a new era of economic freedom; the internal political situation in China has assumed a more quiet state; labor relations in North China are more satisfactory, and there is a closer co-operation between Chinese and Japanese authorities on questions of mutual concern.



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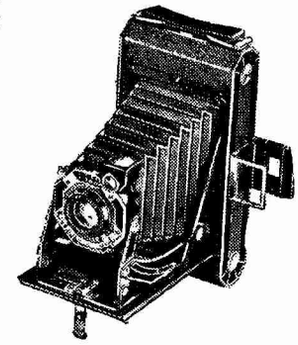

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By Air from Shanghai to Nanking

W. Reginald Wheeler, of the University of Nanking, made a trip by air from Shanghai to Nanking recently and has noted his impressions. Such a trip impresses the fact that China is becoming increasingly air-minded. There are two air lines between Shanghai and Nanking: the one, the China National Aviation Company, which uses chiefly American pilots and American planes: Loenings, Stinsons, and Douglas; the other, the Eurasia Aviation Company, which uses Junkers planes, flown by German pilots. The distance from Shanghai to Nanking by train is approximately 200 miles. In the air it is 162 miles. The Douglas planes make the trip in an hour; the Junkers take about one hour and a quarter. Mr. Wheeler made his trip on the Eurasia line which fly the Junkers. The fare is Chinese $25.

Mr. Wheeler says:—"For two days it had been raining. When I awoke at 4:45 it was still dark and cloudy, but the rain had ceased. I breakfasted on a lunch. I took a taxi at 5:45. We drove through the quiet streets, so different in the early morning from their usual diurnal confusion and congestion. We entered the French settlement and saw the twin spires of the Catholic cathedral rising clear against the western sky. The sun was topping the eastern clouds. There was no wind. We drove into the Chinese city with its crooked narrow streets, past the Hangchow motor road, opened three years ago. The Lunghwa Pagoda stood erect and graceful on our right: on our left was a winding, picturesque canal, both creations of the ancient days of China before man had begun to fly. We reached the airport at 6:05.

"A tri-motored Ford and a Stinson were warming up. I always feel a quickening of the pulse and a sense of exhilaration when I see a plane ready to take off, and against the background of the ancient life of China, the power and beauty of these airplanes were enhanced. The attendants and officers of the China National Aviation Company, spic and span in their uniforms, were assisting the passegers into the waiting planes. The hangars of the Eurasia Company were farther down the field. They were waiting for weather signals from Nanking. The plane was a tri-motored Junkers with capacity for two pilots, 14 passengers, and a steward. It bore on its cabin the name "Wilhelm Schmidt and the name of the original owners, "Deutsche Lufthansa."

"I met the two German pilots. The chief pilot was tall: able-looking: decisive. He reminded me of the pilot with whom I had flown twelve years before in a four-passenger Junkers down the Magdalena Valley, in Columbia, South America. He was Count N. D. Graf Castell, wellknown as a flier in Germany and in the Far East. I talked with a fellow American, a business man from Massachusetts who was going clear through to Chengtu on this plane. Chengtu is 1135 miles from Shanghai. Formerly the trip from the coast by steamer and sedan chair required about a month. The Junkers plane does it in ten and one-half hours. The China National Aviation Company announces they will put a Douglas plane in this service which will make the trip in eight hours.

Word had come from Nanking that there was fog over the city, and the plane was held until 7:10. Then we taxied out on the field, and after warming up the motors, took off.

The following are excepts from notes written in the plane:

8:10. A jagged line of mountains appears ahead of us in the northwest. They are bare of foliage as are most of the Chinese mountains, and look very different from the wooded hills of the Alleghenies and other mountatins over which I have flown in America.

8:15. The fog begins to break on our left.

8:20. We begin to drop down below the cloud banks.

8:30. We pass over the range of mountains. A white-walled temple is below us with its picturesque up-turned eaves and curving roof.

8:36. The noble height of Purple Mountain, topped by its familiar tower, rises before us.

8:49. We descend into the fog. I fasten the emergency belt.

8:55. We are over the city of Nanking. Chao Tien-kung, the Confucian temple, is just below us. We are now above the Sun Yat Sen Avenue. The rickshas, motors and pedestrians are drawfed by the distance.

Shanghai Social Welfare Bureau Investigates Commodity Prices

Since the enforcement of the new monetary measures decreed by the Ministry of Finance, the Bureau of Social Welfare here has been making efforts to check the artificial rise of commodity prices. In order to regulate the local commodity price level, a thorough investigation, according to the spokesman, is now being conducted by the Bureau into the production costs of the commodities. The investigation, which is based upon the principle that in regulating the price level both the interests of the merchants and the purchasing power of the consumers should be taken into consideration, has met with approval from local commercial circles.

Harbin Depositors Say U.S. Flag Covered "Unregistered" Bank

BY THE REVIEW'S HARBIN CORRESPONDENT

"UNCLE SAM" is having hard times in Harbin—he is being charged with aiding and abetting the alleged adventurers in the directorate of the defunct Thriftcor Bank. Such was the charge hurled at the local representatives of the American Government at a meeting of depositors of the Thriftcor Bank held on Nov. 10, when those present resolved to press home their demands on the American Consulate by a mass demonstration.

The meeting was organized by a special committee of the depositors, headed by a Mr. Donetz, and was convened at 2.30 p.m., Nov. 10, at the Merchants' Club. Special banners were prepared, bearing the inscriptions (in Russian): "We Demand Our Money From the U.S.A.", "Chastise the Swindlers and Their Protectors," and so forth. A large banner, mounted on two rods, had a figure of "Uncle Sam" stretching his long arm across the ocean to Manchukuo and picking the wind-torn pocket of a Russian refugee.

After the meeting, the crowd, made up of about 400 persons, all White Russians, rose and moved down the street, first heading for the Bureau for the Administration of White Russian Affairs. Thence, the crowd marched, with banners and flags, towards the Branch Office of the "Ministry of Foreign Affairs," on Kirin Street. After seeing the officials concerned, at these places the mob marched towards New Town, to the American Consulate. Upon reaching it, the crowd found the Consulate tightly closed, "the inmates having been scared away," as our papers put it. The mob stood there for some time, vainly knocking at the doors, and listening to harangues of soap-box orators. At about 6 o'clock in the afternoon, the crowd dispersed, leaving all their placards and banners before the Consulate, in full view of its occupants.

On the following day, November 11, a delegation of the demonstrators, composed of four men, visited W. A. Adams, the American Consul-General, and lodged with him their claims. They contended that the depositors of the Thriftcor Bank had handed their money to the custody of this bank in the conviction that it was an American bank, flying the American flag, and hence under the supervision of the American authorities. The complaint went on to state that by permitting the bank to fly the American flag over its building, the American authorities in Harbin had led the depositors into a wrong notion that it was sound, hence the American authorities cannot—in their opinion—shrink the responsibility, moral and legal, for the loss of the depositors' money. "The creation of this false notion about the soundness of the bank, coupled with the absence of any official control over its activities, is directly responsible for the loss of our money, our last resources in life," they stated. The complaint ended with a demand that Mr. Adams, as representative of the American authorities, should make good their losses out of public funds in the custody of his Consulate.

Mr. Adams is reported to have said to the delegation that, although he regretted the loss of the depositors' money and suffering it inevitably entails, he could not however express any opinion on the demand of the depositors, still less to promise the payment of their deposits out of American public funds. "A similar case happened to me myself not long ago. I lost a considerable sum of money in a recent bank failure, and nobody has compensated me, nor do I expect it," he said.

The case is taken by the local press, controlled from Changchun, as a good chance to discredit American business men and American institutions. The local Consulate is charged with a tacit permission to fly the American flag over an unregistered bank, because of which—it is said—the Thirftcor Bank had escaped the supervision of the local authorities. If the bank had not flown the American flag, it is said, the Manchukuo authorities would have taken it under their own supervision, and never let it wind up its affairs with such loss for creditors as is the case at present. Another charge brought forward is: How was it not possible for a bank registered in the State of Nevada not to be registered with the Consulate in Harbin, and how was it generally possible to fly the American flag for over eight years, not having been registered with the Consulate?

"There is in town another bank (meaning the National City Bank of New York), flying the American flag over its building. Is it an American institution? Will it not follow the example of the Thriftcor Bank?," exclaimed one of the soap-box orators.

The feeling of depositors runs high. A committee of the depositors, looking into the affairs of the defunct bank, daily reveals the alleged irregularities of the management, which revelations are being played up by the press as if they were confirmed crimes. The latest concerns the opening of the bank itself on July 23, 1927. It is stated that, on the opening day, the two principal directors, Messrs. N. Petroff and I. Osipoff, both "White" Russians, had invested only Yen 2,500 and Yen 1,700, respectively, and that it was the whole subscribed capital of the bank. It means that the bank started practically without its own capital, working, till the day of its failure, exclusively with depositors' funds.

It is alleged that the first balance sheet, prepared by the bank in the end of 1927, was fictitious in that, having no funds of their own, the administration had shown the sum of U.S.65,000, their alleged nominal capital, as remitted from a branch office in Shanghai, whereas they had at that time no branch office there—it was opened only in 1929, that is, two years later.

Another charge brought forward before the administration of the bank is that it had worked, since its opening, as a branch of the Soviet Far Eastern Bank ("Dalbank"). It is stated that, soon after its opening in 1927, it contracted from the Soviet bank a loan of Yen 300,000 with which it began operations. This loan was fully repaid in 1933 with interest at 9 per cent per annum.

All this is a hanging fire in Harbin. In the meantime, the depositors of the Thriftcor Bank are in fighting mood. What they will do in case of not receiving any redress from the American Consulate, as they demand it, remains to be seen.

Harbin, November 12, 1935.

***

Harbin Depositors Ask U. S. Government to Make Good Their Losses

Harbin's Russian population is agog awaiting the official reaction to the demand of the "White" Russian depositors of the defunct Thriftcor bank that the American Government reimburse their losses. More than 2,700 White Russians adopted a resolution on Nov. 10, strongly condemning the local American authorities for "betrayal of international faith" and "evasion of responsibility" in connection with the closure of the bank and demanding that the United States treasury pay their lost deposits. The resolution, which was adopted after a long series of fiery speeches among other things, declared: "When the Thriftcor Bank was established, it hoisted an American flag and was given assistance by the local American authorities. Thinking that it was incorporated under the United States Banking Law we deposited our money in it. However, when the bankruptcy of the bank became known last month, the American authorities ordered the bank to lower its flag and denied that it was an American institution."

Minnesota Governor Supports Third-Party Movement

Floyd B. Olson, Farmer Labor Governor of Minnesota, who announced Nov. 16 that he would become a candidate for the United States Senate, has called on the youth of America to join a third-party movement designed to inaugurate a new social order. Launching a drive for the support of an anti-capitalistic third party in 1940, Mr. Olson said, "Our opponents.....talk about American institutions, but the institutions they mean are not free speech and assembly, or the revolutionary and constitutional right to change the Government—they are the institutions of Rockefeller, Mellon, Gary, Standard Oil Co., the Aluminum Co. of America and the United States Steel Corporation.

Peiping Bank Manager Convinced of America's Recovery

Charles Bennett, manager of the National City Bank in Peiping, interviewed in Washington Nov. 16, expressed confidence in America's business recovery after conferring with Far Eastern friends and Government authorities in the American capital. He is returning to Peiping by way of Panama mid-December.

P.W.A. Plans to Repatriate American Indigents in Europe

Fifteen hundred penniless Americans in European countries are to be repatriated at government expense if a plan now under consideration by Harry Hopkins, director of the Public Works Administration, is approved. The 1,500 free trips home will cost the United States about $100,000, it is estimated.

Germany Moves to Deprive Jews of Real Estate Holdings

Dr. Gerhard Wagner, leader of the guild of German physicians and surgeons, announced Oct. 17 that Dr. Praetorius and Dr. Niendorff have been excluded from the guild's board of directors because they approved the sale of a building belonging to an insurance company to a foreigner "who is a Jew." A special dispatch to the *Chicago Tribune* stated that although German officials maintain silence on what is to be done with Jewish property, mortgage banks were advised not to grant new mortgages to Jews and to cancel existing Jewish mortgages at the earliest possible date. Nazi offices had prepared a national decree forbidding Jews to own real estate, but Dr. Hjalmar Schacht, dictator of economics, protested. He declared that a forced sale of Jewish property would endanger all real estate, including property of non-Jewish citizens. Instead, holding companies have been prepared to take charge of the real estate of Jews after their deaths and to administrate the property until a buyer is found whom the Nazis consider satisfactory.

Newspaper Publicity Allegedly Wrecked James Lin's Romance

Mrs. Viola Brown Lin, former five-and-ten-cent store clerk of Columbus, Ohio, who married James Lin, nephew of the President of the Chinese National Government, is seeking a divorce. "We parted good friends," Mrs. Lin said Nov. 13 in announcing her plans to seek legal freedom. "Jimmy will never return here. We would still be living together if it weren't for the newspapers."

74-476

BETTER HOMES EXHIBITION EXTENDED TWO DAYS

— MANY NEW, SPECIAL EXHIBITS —

The daily crowds thronging the Better Homes Exhibition is the best proof of its success. That it has been overcrowded at times by the sight-seeing element on account of admission being free, cannot be denied. That a certain class of would-be buyers has been kept away by the over-crowded state of the Exhibition is the contention of many Exhibitors.

To correct this, Messrs. Millington Limited have arranged to keep the Exhibition open on Monday and Tuesday, November 25 and 26, and to charge 50 cents admission. Programmes will be given free.

SPECIAL FEATURES

China Soap Company, Richard Hudnut and Whiteway, Laidlaw & Co. Ltd. will hold a special fashion display for foreign ladies in the afternoons.

Tea will be served by the Scotch Bakery in a specially enclosed room.

Arts & Crafts will display complete new suites in two rooms.

Modern Homes will have on view a suite of furniture valued at $1,000, which the China press is presenting as one of the main prizes in their circulation contest.

The Shanghai Power Company will give away cakes and cookies which they will bake in their stand. The Shanghai Gas Company also will give away edibles.

The K.M.A. are putting on a new slogan competition.

Other surprise Exhibits will be announced later, and all competitions outlined in the programme are extended for two days. Do not miss these last 2 days of the Better Homes Exhibition.

MILLINGTON LIMITED - SPONSORS OF BETTER HOMES EXHIBITION

Japanese Protest Chinese Airline to Indo-China

The Ministry of Communication has signed an agreement with the French Air Ministry providing for a connection between existing lines of the China National Aviation Corporation and Air France, this linking China and Europe. It is understood that a regular service between Canton and Hanoi by way of Kwangchauwan will be operated for the transportation of passengers, freight and mail by the China National Aviation Corporation. According to the terms of the agreement, the proposed air route will start from Canton. The agreement stipulates that the Canton-Hanoi section of the line will be operated exclusively by an aviation corporation under the control of the Ministry of Communications of the National Government.

In this connection, Japanese Government officials made the comment that while China has concluded this agreement with France, no understanding had yet been reached on aerial communication between Japan and China.

Mr. Suma in a formal protest pointed out the inconsistency of the Nanking Government in granting France the right to create a line between China and Indo-China, when the authorities are alleged to have refused Japan's application to establish an airline between Japan and China.

The office of the China National Aviation Corporation announces that a test flight on the proposed airline between Canton and Hanoi, capital of Annam (French Indo-China), will be conducted next month.

Airmail Plane Flies from Kyushu to Formosa

Japan has joined the ranks of contenders for aerial supremacy in the Pacific, the "*Wild Goose*", a three-motred Fokker, hopping off from the Tachiarai field near Fukuoka, for Formosa, Nov. 18 with a heavy load of mails. The flight was also a part of the program commemorating the fortieth anniversary of the Japanese administration in Formosa. The plane was described in Japanese telegrams as a "goodwill flight," stops being made at Foochow, with messages of greeting from Mr. Nakagawa, Governor-General of Formosa, to Gen. Li Chai-sum, Mayor of Foochow, and from Mr. Kataoka, Director of the Aviation Bureau of the Tokyo Ministry of Communications, to Mr. Nakamura, Japanese Consul-General. The plane duly arrived at its destination without incident.

Two Chinese Get Air Pilot Papers in Japan

Two Chinese were included in the list of 38 persons who were announced by the Tokyo Ministry of Communications Nov. 13 as having successfully passed Government examinations for air pilot licenses. The Chinese are Su Yung-chieh, 21, and Wang Shao-ping, 23, both from Fukien. The former arrived in Japan in 1929, after graduation from a Yunnan middle school, and took up law at Chuo University. He entered the Nagoya Aviation School in September, 1934. Mr. Wang, who is a graduate of the Yinghua School in Amoy, received his training at the First Aviation School at Funabashi, Chiba Prefecture.

Chinese Airman Congratulated for Successful Flight

A number of telegrams have been addressed by Party and other public organzations in Shanghai to Hsu Chi-hsin, noted Chinese airman in Java, for his recent successful flight to Europe. Mr. Hsu, it may be recalled, hopped off for Europe some time ago and returned to Java on November 12. The plane which he used for the long-distance flight to Europe was made by Mr. Hsu himself.

Service on Sian-Chengtu Line Is Augmented

Air-mail and passenger service on the new airway between Sian and Chengtu, respectively provincial capitals of Shensi and Szechuan, was augmented Nov. 12 when another giant No. 2 tri-motored airplane of the Eurasia Aviation Corporation was commissioned on the line.

U. S. Army Captain Breaks Balloon Height Record

The official world altitude record for balloons was broken by Captain Oril Anderson, of the United States Army, who landed at White Lakes, 230 miles from Rapid City, South Dakota, Nov. 11, after reaching a height of 72,000 feet in the world's largest balloon, the Explorer II.

U. S. Army Pilot Stricken by Heart Attack in Mid-Air

Captain Donald Buckman, 34-year-old U.S. Army pilot, was stricken by a heart attack in mid-air Nov. 13 and died shortly after landing his plane at the Bakersfield (Cal.) airport. The Army officials placed a censorship on the details of an investigation.

New Zealand Woman Makes Record Solo Flight to Brazil

A new record for a solo flight across the South Atlantic from French Senegal to Brazil was established Nov. 13 by Miss Jean Batten, New Zealand aviatrix, landed at 4.45 p.m., local time. Miss Batten's speed for the ocean flight averaged about 130 miles an hour.

Public Cemetery for Dead Officers and Soldiers Dedicated at Nanking

ARCHITECT DIDN'T KNOW IT WAS A CHRISTIAN CHURCH

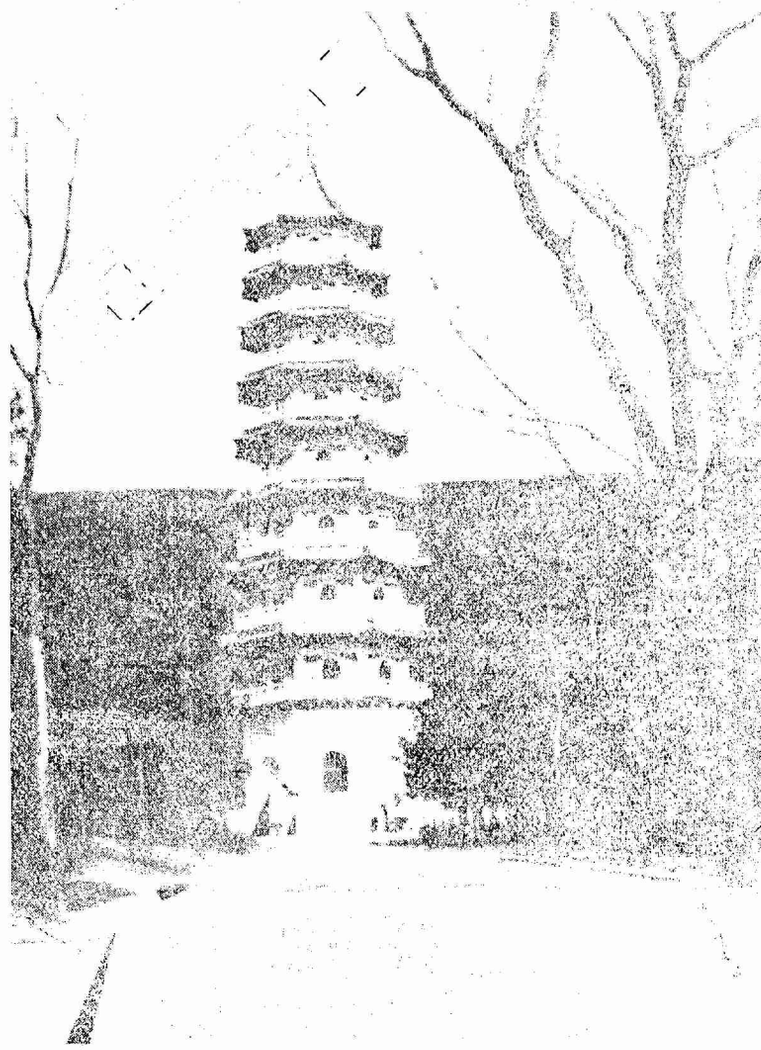
THE dedication ceremony of the newly completed public cemetery for the dead officers and soldiers of the National Revolutionary Forces (*Kuo-Min Ko-Min-Chun*) was held at Nanking Nov. 20. More than 5,000 persons were present at the ceremony which was presided over by Gen. Chiang Kai-shek. After the ceremony, homage was paid by the higher officials and military officers as well as the students of the School for the Descendants of Revolutionary Martyrs, the students of the Central Political Training Institute and the cadets of the Central Military Academy.

The National Flag was flown at half-mast throughout the country and representatives from the provinces were present. The memorial "Beamless Hall" was opened at the same time.

The memorial hall has a most interesting history. A Danish architect and archaeologist named J. Prip-Moller, who came to China several months ago to do research work in Buddhist temple architecture for the Carlsberg Foundations, Copenhagen, discovered what is believed to be the ruins of the oldest Christian church in East Asia. The ruins, which have now been reconstructed, date back to the last quarter of the 14th Century.

The ruins, located on the outskirts of Nanking, have been known for many generations as the "beamless hall" of Liu Kou Monastery, a Buddhist institution. The section of the monastery known as the "beamless hall" attracted attention because of the strangeness of its architecture in Chinese eyes, the ancient Chinese builders not being accustomed to the use of the arch. However, this building, a structure of immense proportions, had been built entirely without beams, the entire central hall being constructed of brick and arched over. The central portion had fallen in and a large tree had grown up through the center, thus giving some idea of the age of the ruins. According to reports in the district, the building had been rebuilt many times, but the large central dome or arch finally had been destroyed during the Taiping Rebellion in the middle of the last century. The Buddhist monks in the neighborhood claim that the imperical forces had used the building as a storage place for powder which had been explodby the Taiping rebels. This had caused the distruction of the center arch.

Mr. Prip-Moller spent several months studying the architecture and excavating in the vicinity and finally made drawings showing the plan of the original structure which was quite similar to the particular type of church originally constructed by the Franciscan friars in southern France between the Mediterranean Sea and the ocean along the Pyreness, and especially similar to the church buildings found near the Mediterrancan Sea in the Avigon district. However, aside from the interior arrangement, the walls and the archways, the remainder of the building, particularly the roof,



Nanking's famous "Beamless Hall," now restored as a part of the Memorial Cemetery for soldiers of the Revolution.—Thousands of stone tablets containing the names of these heroes are now being installed.

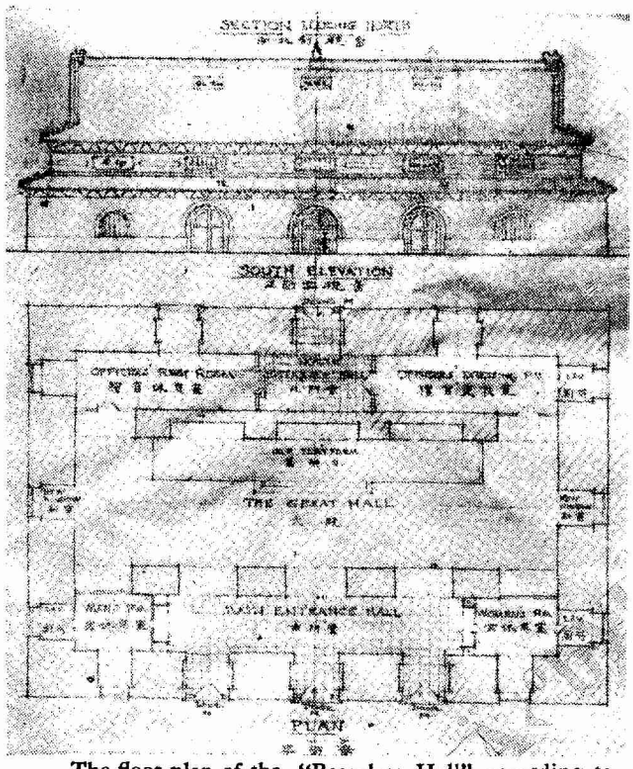
The Beamless Hall and Memorial Pagoda, described in this article, were restored and constructed by plans prepared by Henry Killam Murphy, an American architect. But while devoting much time and thought to the subjectMr.Murphy apparently was unaware that the ruins of the famous Beamless Hall were the remains of the first Christian church in Asia constructed by the Franciscan priests several centuries ago. The honor of making this discovery goes to J. Prip-Moller, Danish architect, who came to China two years ago and spent considerable time delving into the ruins of the ancient structure.

followed the Chinese style of architecture.

The results of Mr. Prip-Moller's studies have been issued in a publication known as "Arts," Tome III 1935, published by the Professor of the History of Art of the Academy of Wansher in Denmark. A summary of the article recently was reprinted in the *Chinese Recorder*, leading journal devoted to Christian missionary work published in Shanghai.

About three years ago an American architect, Henry Killam Murphy, a graduate of Yale University, induced Gen. Chiang Kai-shek to restore the ancient monastery as part of a burial ground and memorial hall for revolutionary heroes. This work has now been completed and the interior of the building has been covered with tablets containing the names of Chinese officers and soldiers who have been killed in connection with the various revolutionary wars since 1911.

Mr. Murphy's plan for building a memorial was to reconstruct the "Beamless Hall" and use it as the center. Around it is an extensive cemetery. When Mr. Murphy took the plan to Gen. Chiang Kai-shek, then in Nanking resting up from a strenuous military campaign, Gen. Chiang turned through the blue-prints, looked up and said, "But why no pagoda? Must have a pagoda!" Thus it came about that Mr. Murphy became the designer of what has



The floor-plan of the "Beamless Hall" according to J. Prip-Moller, F. I. A., is exactly similar to that of the particular type of Christian church found in southern France between the Mediterranean sea and the ocean along the Pyrenees which were constructed by the Franciscans sent out from Avignon. This picture and much of the information in the accompanying article are from the November *Chinese Recorder*.

now been dubbed the "Yankee-Pagoda," generally regarded as the handsomest structure of the type in the entire land. It stands 175 feet high on the side of a mountain and from its commanding location rises more than 300 feet about the local of the city in the valley. It can be seen for many miles from steamers along the Yangtsze, and American pilots of Chinese Government airplane operating air-mail and passenger service along the Yangtsze take great delight in encircling its upper stories.

However, Mr. Murphy is proudest of the restored Beamless Hall, now correct in practically every detail with the original conception, which dates back more than 600 years. In addition to the Beamless Hall and Pagoda there is a Memorial Hall in pure Chinese architecture which will be used as a meeting place and storage for historic documents and recirds of the revolution and its leaders. The building is constructed over and preserves the lower story of an ancient hexagonal pagoda under which was buried many centuries ago a famous Buddhist monk whose preaching made the structure famous.

There are three cemeteries, each enclosing about two acres of ground wherein will be buried the bones of any revolutionary soldier or officer who may so desire. The remains collected from many battlefields throughout the country will each be encased in a sealed earthenware jar or urn, not occupying much space, hence the total number that may be accomodated will run into the many thousands.

The entire plan cost the National Government well over $2,000,000 silver dollars and together with the Sun Yat-sen memorial in the same area probably cost in the neighborhood of $10,000,000.

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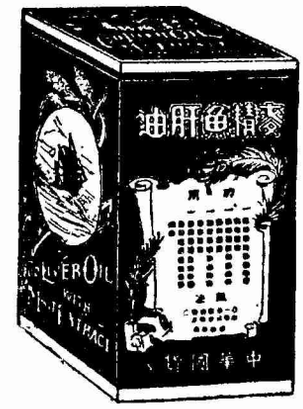

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74-479

Manchukuo to Control Foreign Exchange

A law providing for strict control over transactions in foreign exchange are being promulgated in Manchukuo following negotiations in Tokyo between the Japanese authorities and Ryuichi Yokoyama, of the Manchukuo Finance Ministry. Enforcement of the law will form a part of the Government's program to stabilize the national currency. Withdrawal of the banknotes issued by the Bank of Chosen is also provided for in the Finance Ministry's plans.

Manchukuo's Gold Output Increases

Manchukuo's production of gold during the current year will reach the total value of Yen 10,000,000, Hsinking bankers claim. A total of Yen 6,000,000 worth of the metal was purchased by the Central Bank of Manchukuo during the first eight months of the year.

The Manchuria Gold Mining Company produced Yen 1,810,000 worth of gold in the first eight months, Yen 600,000 worth of the metal having been mined in August. At least Yen 500,000 worth of gold will be mined in November and December, Company officials said.

About 15,000 men are employed in the gold mining industry in the new Empire.

Manchukuo's Foreign Trade Shows Unfavorable Balance

Manchukuo's foreign trade in the third quarter of 1935 resulted in an unfavorable balance of $133,013,967, with the exports totalling $310,911,788 and the imports amounting to $443,925,755.

Hsinking Patent Law to Be Enforced from Beginning of Next Year

A draft patent law has been completed by the Bureau of Legislation, and will be promulgated early next month, to become effective on January 1, next 1936.

Jehol to Have New Railway Dec. 1

The web of railroads gradually extending over Jehol will be further enlarged on Dec. 1, when the Chifeng-Yehpaishu branch line of the Chinchow-Chengteh Railway will be opened to traffic. The new 147-kilometer railroad will be managed by the Directorate-General of the Manchukuo State Railways of the South Manchuria Railway Company.

Manchukuo Officers Visit Japan

Twenty-one Manchukuo army officers, led by Gen. Yu Chi-shan, Minister of Defense, paid their respects at the Meiji Shrine, Nov. 18. They arrived in Tokyo Nov. 17 from south Kyushu where they attended the Japanese grand military manuevers. They are scheduled to leave Tokyo on Dec. 1 on their return to Hsinking.

Nine Japanese Soldiers Killed in Combat With Bandits

Nine Japanese soldiers were killed and several others wounded in a three-hour combat with bandits Nov. 5 near Laotaokou, about 10 miles west of Yenchi in Kirin province. The Japanese force of 22 men, aided by 11 volunteers, engaged an outlaw band ten times as strong and finally managed to disperse the enemy, according to the dispatches reaching here. The sergeant-major commanding the Japanese column was killed.

Japanese Fishing Company Organized in China

The South Manchuria Railway Company has decided to open a large fishing company in North China. The fishing company is to have a capital of Yen 1,000,000 and will be known as the Japan-Manchurian Fishing Company, Ltd. It will develop the fishing industry along the North China coast.

Ancient Chinese Civilization Disappears in Northwest, Says Dr. Kiang

Ancient Chinese civilization no longer exists in China's vast Northwest, Dr. Kiang Kang-hu, noted Chinese scholar and promoter of the Chinese and Foreign Cultural Relations, stated in a recent press interview in Shanghai, following his return from a six-month visit to the borderland.

Dr. Kiang is convinced that the Northwest is lagging far behind in modern culture. He sees a dangerous period facing the populace of the outlying territories during the present juncture when neither the modern nor the ancient civilization is present to feed the mental needs of the people.

As a result of his investigation trip, Dr. Kiang doubted the traditional opinion of the Westerners that "the Chinese are a conservative race." He supported his statement by saying that in Shensi province, for instance, where the Chinese race first developed their former glorious civilization, no trace of the ancient relics can be found.

Keen disappointment was felt by Dr. Kiang in all the places he visited. At Wu Tai Shan, which is generally considered as one of the famous scenic spots in China, he discovered that the hills there are bare. Constrasting this, the temples have been beautifully renovated, largely through the remittances made from Buddhist believers from the Three Northeastern Provinces, while the conditions of the mountaineers are imporverished.

Similar disappointment was expressed by Dr. Kiang over the national-renowned stone buddhas of the Yun Kang Temple. There, with the exception of the sand piles and sharp rocks, he found nothing in the way of reconstruction, scenic spots and historical places.

He predicted that the giant stone buddhas at Yun Kang, not minding the destruction caused to them by the ignorant people, will be completely deteriorated by natural forces after hundred of years.

One of the interesting experiences of Dr. Kiang during his whole trip was his participation in the annual sacrifice to Gengiz Khan in Inner Mongolia.

Mitsui and Mitsubishi to Invest Yen 5,000,000 in Manchurian Emigration Company

Of the Yen 25,000,000 capital of the proposed Manchurian Emigration Company to be established, the South Manchurian Railway Company and Manchukuo are to contribute Yen 5,000,000 each and the Mitsui Gomei Kaisha and Mitsubishi Goshi Kaisha have decided to invest Yen 2,500,000 each. The Manchurian Emigration Society has decided to undertake invitations to emigration, training of emigrants and arrangements to facilitate emigration as a sort of detachment of the Manchurian Emigration Company. Since the plenary meeting of its sponsors some time ago, Baron Kimmochi Okura, managing director of the Oriental Association, and others have been putting the personnel in order.

Numerous Border Incidents Increase Soviet-Japanese Tension

The increasing Soviet-Japanese tension is illustrated by incidents such as those recorded below:

In Khabarovsk, the Military Tribunal of the Special Far Eastern Red Army meted out a sentence of death by shooting Nov. 13 upon Sorokin and Babin, the two spies and diversionists who entered Soviet territory under orders from the military mission of a certain foreign state stationed in Harbin and who were detained on June 9 on the frontier of the Far Eastern Region with forged documents, bombs, strychnine and parcels of counter-revolutionary leaflets in their possession.

Two Outer Mongolians who were captured by a Manchukuo border patrol near Lake Buyer-Nor on Nov. 12 have been sent to Hailar under escort. One of the prisoners is alleged to be an Outer Mongolian soldier who was sent to reconnoiter in Manchukuo territory.

Instructions to make a full investigation of the reported flight over Manchukuo territory by a Soviet airplane at 6.30 o'clock on the morning of Nov. 6 have been sent to Japanese officials in the Muling area from Tokyo. The airplane allegedly crossed the Manchukuo border and after cruising over border military positions flew southwards.

USSR Reorganizes Handling of Foreign Currency

The Council of People's Commissars of the USSR has decided to liquidate as from Feb. 1, 1936 the organization of "Torgsin" and transfer its trade network to the People's Commissariat of Home Trade. At the same time, "Intourist" has been instructed to discontinue, as from Jan. 1 next, trading and rendering any kind of service for foreign currency in the territory of the USSR.

Soviet Citizens Beaten in Italy

Because they refused to buy goods in the shops in Livorno and Genoa, Italy, several Soviet citizens in said cities were beaten Nov. 15. In connection with these incidents, USSR Ambassador to Italy Stein filed a protest with the Italian Government.

Russian Political Exiles Now Number 737,000

The International Nansen Bureau for dealing with problems arising from the presence of political fugitives in all parts of the world, issued a statement at Geneva Nov. 11 showing that there are altogether 737,000 Russians, 226,000 Armenians, 6990 Assyrians, 3300 ex-Saar inhabitants and 60 Turks living as political refugees. These figures do not include the millions of emigres in North and South America, whose number is unknown.

In 13 countries 92,844 refugees are registered as jobless, while 16,379 refugees are children under the age of twelve.

Chinese Writers Join Union of Soviet Writers

The Far Eastern Union of Soviet writers has organized a section for young Chinese writers. The first meeting held to organize the section was attended by 18 writers, poets and playwrights including some writers who are collective farmers and workers.

Uygur-Mongolian Manuscript of 13th Century Is Deciphered

The Uygur-Mongolian manuscript which was found last year near the village of Pokrovskoye on the Volga, has been completely deciphered by the Institute of Oriental Studies of the USSR Academy of Science. This manuscript was written on a piece of birch-bark at the end of the 13th or at the beginning of the 14th century.

Laying of Rails on Lunghai Extension Will Be Completed Next Month

The laying of rails on the Sian-Sienyang extension of the Lung-Hai Railway, northwestern Shensi, will be completed by the middle of December. In order to push forward communications the Special Administrative Commissioner's Office for the 4th Area, in eastern Shensi, has decided to build a highway connecting the three important districts of Lo-nan, Shanghsien and Shanyang. Engineering work is to be started early next month.

The route for the projected Kiangsi-Fukien Railway has been fixed, following surveys conducted by the special engineering corps of the Chekiang-Kiangsi Railway Administration. Starting from Shangjao station on the Chekiang-Kiangsi Railway, in eastern Kiangsi, the line will pass Kwangfeng (Kiangsi), Puchen and Kienou (Fukien) and terminate at Yenping, important city in northern Fukien. Engineering work is to began in January next.

In order to facilitate transportation, the Lung-Hai and the Tatung-Puchow Railway Administrations, are arranging a through service on the two lines.

To expedite engineering work in Hopei, the Provincial Department of Reconstruction has decided to organize a special engineering office to take charge of the construction of the projected Paoting-Tientsin Highway.

Definite arrangements have been made by the Shensi Provincial Government with the Lung-Hai Railway Administration to build a railway from Sienyang, on the projected western extension of the Lung-Hai Railway, in western Shensi, to Tungkwan, coal mining center in northern Shensi, and to develop the coal industry.

Nanking-Shanghai Railway Pays $330,000 to Its Creditors

The Nanking and Shanghai Railway Administration has repaid $330,000 to its creditors on purchases of rolling stock in the past month, according to information obtained from railway authorities. The Nanking-Shanghai-Hangchow Railway has repaid a sum of $320,000.

Revenue of Tsinan-Tsiangtao Railway Decreases

Because of the financial stringency this year, the export of native products from Shantung has been greatly decreased, and in turn affected much of the revenue of the Tsinan-Tsingtao Railway, according to Kuo Kwong-ting, director of the Railway Administration. The estimated revenue of the line is $17,300,000; however, judging from present conditions, it is feared only $14,000,000 will be realized by the end of this year.

Two Huntred Buses Sent to Chengtu for Service in Szechuan to Highways

More than 3,000 kilometers of highways have been built in Szechuan province, according to information from the Provincial Department of Reconstruction. The Provisional Headquarters of the President of the Military Affairs Commission has sent 200 omnibuses to Chengtu for service on the various routes.

The application of the Wusih-Shanghai Omnibus Company for a license to operate has been granted by the Ministry of Railways. The Company is organized to operate an omnibus service on the Wusih-Shanghai Highway. Chang Kia-ngau, Deputy-Governor of the Central Bank of China, is one of the promoters of the Company.

Tientsin-Shihchiachwan Navigation Project Under Consideration

A navigation project to connect Tientsin with Shihchiachwan, a station along the Peiping-Hankow Railway near the western border of Hopei, so as to facilitate transportation of goods from the Northwest to the coastal provinces is under the consideration of the Tientsin Municipal Government.

Plans for Reorganization of China Merchants S. N. Co. Drawn Up

Plans for the readjustment of the China Merchants Steam Navigation Company have been drawn up by the Ministry of Communications following an inspection of the Company's affairs by General Yu Fei-peng, Political Vice-Minister of Communications.

Tientsin Hydraulic Station Is Formally Opened

The Tientsin Hydraulic Engineering Experimental Station, the first of its kind in China, was officially inaugurated at a ceremony held Nov. 12. Li Yi-chih, formerly chairman of the Yellow River Conservancy Commission, presided at the ceremony.

Large Sluice to Be Constructed at Changshu

The Yangtse River Conservancy Commission is contemplating the construction of a large sluice measuring 44 meters in length, at Paimow River, which runs through Changshu in southern Kiangsu.

$2,600,000 Promised Szechwan University for Construction of New Buildings

Plans for the construction of new buildings for the National Szechwan University in Chengtu which will entail an outlay of $2,500,000, have been approved by General Chiang Kai-shek.

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THE GENTLE LITTLE
LAXATIVE LIVER REGULATORS

74-481

Takahashi Exerts Vain Efforts to Curb Army Expenditures

Drastic reductions in the draft demands for appropriations filed by the various Tokyo ministries continued to feature the work of the officials of the Treasury drawing-up next year's budget during the past several days. Where the Ministry of Home Affairs asked for Yen 158,000,000 for new undertakings it was allowed Yen 37,000,000, while the draft appropriations for the Ministry of Commerce and Industry were cut down in half to Yen 7,000,000. In both cases, however, the Treasury officials left for later decision items with a definite political bearing. Among these were the request for Yen 2,000,000 by the Ministry of Commerce and Industry for a loan fund to help small and middle-sized industrial establishments and a large draft appropriation by the Ministry of Home Affairs for advances to local administrations to straighten up their finances. Observers noted that Exchequer officials were being particularly lenient with sums asked for industrial and agricultural rehabilitation.

In the estimates of three Governmental departments which still remain to be examined, the Exchequer officials are expected to find the greatest difficulties in their task, which is expected to last well into next week. Those still awaiting auditing are those of the Ministries of Education, War and Navy, the latter two amounting to more than half of the total demands presented. Consideration for the health of the 82-year old Minister of Finance, Korekiyo Takahashi, is reliably reported to be causing a slowing down in the process of examining the various draft appropriations.

Additional Red-Ink Bond Issue Foreseen

Flotation of an additional deficit bond issue of Yen 20,000,000 in addition to the projected borrowing of Yen 667,000,000 to balance next year's budget is seen likely as the Exchequer has virtually approved a Home Office appropriation for a national subsidy to local governmental units to put their finances in order. Mr. Takahashi, Minister of Finance, Nov. 15 gave his assent to a recommendation of the Cabinet Bureau of Investigation, an auxiliary of the National Policy Council, Japan's so-called "Brain Trust."

Okinobu Kaya, director of the Bureau of Accountancy of the Ministry of Finance, who submitted the recommendation to discussion said that at least Yen 20,000,000 would be needed for the purpose.

The estimates of the Army for new enterprises in 1936-37 will, according to the present plans of the Treasury, be cut from Yen 340,000,000 to Yen 230,000,000, while similar demands of the Navy Office will be reduced from Yen 360,000,000 to Yen 100,000,000. Political circles in Tokyo, however, expect that the two defense departments will vigorously oppose any attempts to slash their estimates for new enterprises on the ground that the unsettled international situation calls for preparedness.

Treasury Slashes Agriculture Ministry Estimates

Continuing their vigorous slashing of 1936-37 budgetary estimates, officials of the Exchequer Nov. 13 allotted an appropriation of Yen 21,000,000 to the Ministry of Agriculture for new enterprises, instead of Yen 61,400,000 sought by the department. The Ministry's ordinary budget was also slashed from Yen 70,000,000 to Yen 66,000,000.

Seiyukai Again Opposes Government

Signs of renewed attacks on the Government by the Seiyukai party at the next session of the Diet developed Nov. 16 when the party refused to co-operate with the Education Ministry's committee on social and educational reforms. The party directors notified Mr. Soyeda, Vice-Minister of Education, of the withdrawal of the name of Toshio Shimada, a Seiyukai chieftain, from the roster of the committee announced by the Government.

Japan-Soviet Association to Be Established in Kwansai District

Establishment of a Kwansai Soviet-Japan Society, designed to promote trade and cultural relations between Japan and the U.S.S.R., was decided in Osaka, Nov. 16 by a group of Japanese sponsors headed by the Osaka Chamber of Commerce and Industry and the Far Eastern Trade Association. The proposed organization will seek to co-operate with the Russo-Japanese Society in Tokyo.

"The Devil Is a Woman" to Be Withdrawn Nov. 30

The paramount film, "The Devil Is a Woman" starring Marlene Dietrich, will be withdrawn in Japan in common with all other countries November 30, according to an agreement made with the Spanish Government, which objected that the picture was one which held up Spanish soldiers and civil guards to ridicule.

German Cruiser "Karlsruhe" to Visit Japan

The German crack cruiser *Karlsruhe*, now serving as a training ship, will arrive in Yokohama on Feb. 3 next via Shanghai and Miyajima. The last German warship to visit Japan was the *Emden* II, which called in 1933.

Japanese Expert Employed by Siam to Increase Cotton Production

Dr. Shinzo Mihara is to be employed by Siam as highest adviser to guide that country in raising raw cotton. The present annual output of 100,000 bales will be brought to 1,000,000 bales under Mr. Mihara's guidance. This step, says the *Asahi*, marks the beginning of economic co-operation between Japan and Siam.

Japanese Treasury O.K.'s Grant to Saghalien Oil Company

Precedent was broken Nov. 15 with the approval by the Ministry of Finance of a Yen 3,000,000 Ministry of Commerce and Industry appropriation to guarantee dividends of bonds to be issued by the North Saghalien Petroleum Company. This will be the first time that the Government guarantees returns of debentures of a private company. The North Saghalien Oil Company is now in a position to call for Yen 2,500,000 on its unpaid capital and to apply this sum, together with the Yen 1,250,000 outright subsidy it receives from the Government towards an expansion of its prospecting activities in the Soviet-owned northern half of the island.

Permission to this effect was granted the company by the Ministry of Commerce and Industry on April 8 under authority acquired under the Russo-Japanese Peking Treaty of 1934.

The company sought this permit in view of the termination on Dec 14, 1936, of the period within which Japanese subjects are permitted to prospect for oil on Soviet soil under the term of the treaty.

Company officials have also obtained a loan of Yen 2,000,000 to finance these prospecting activities from the Mitsui, Mitsubishi, Sumitomo and Daiichi banks and, at the same time, have sent a representative to Moscow to seek an extension of the itme limit on such activities.

Under the Peking Treaty's provisions, Japanese and Soviet interests are permitted to bore in alternating squares of territory in North Saghalien. This practice has been declared unsatisfactory by Japanese Government spokesmen because, as soon as the Japanese strike oil, the Russians sink a well close to the border of the Japanese square and cut in on the production of the first bore.

The Soviet government secures a royalty on every barrel obtained by the North Saghalien Oil Company while special provision is made in case a gusher is struck.

Currency Control Law Will Curb Speculation

Speculation in gobi, Manchukuoan national currency, will be dealt a death blow on Dec. 1 when the Currency Control Law will go into effect. The measure, which will prevent violent fluctuations in foreign exchange quotations, is also expected to forestall the flight of Manchukuo capital abroad. Agreement on the measure, which will establish virtual yen-yuan parity, was recently reached between the Tokyo and Hsinking authorities.

Death of Futsing Magistrate in Formosa Raises Suspicion of Foul Play

Iong Kauk, a magistrate with a long record of honorable service in Futsing Fukien province, died last week while on a tour of inspection with the Governor of Fukien, Chei Yi, in Formosa.

Special correspondence in the *Shanghai Evening Post* says that many rumors are circulating concerning his death, which occurred suddenly. He was a man of very good health and vigor, so that his death would naturally raise suspicions among his friends. Rumors of foul play, of poisoning are heard generally throughout the hsien. His death in a foreign country has caused uneasiness. The most frequently heard explanation of his death is that it was by poison at the hands of Futsing Hsien rascals, who were bent on revenge against Magistrate Iong for his unceasing drive against the forces of evil in the Hsien. The name of Go Sing Hok, who was active for some time off the Fukien Coast, and who is now reported as having taken on Formosan citizenship, is frequently mentioned in his connection.

Poppy Planting Prohibited in Szechuan

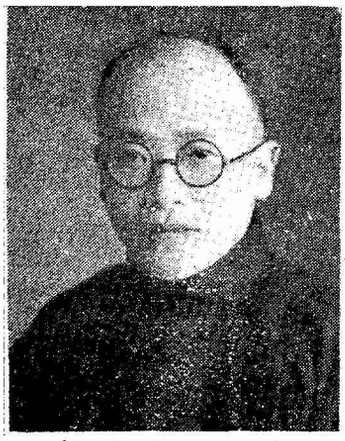
The Szechuan Provincial Government in a circular order Nov. 15 strictly prohibited the planting of poppy in the province in future. The order stated that the Provincial Government will shortly dispatch officials to the various districts to supervise the enforcement of the order. Persons found to be violating it will be severely punished.

Opium Smoking in Shanghai Is Forbidden

Opium smoking in hotels in Shanghai is being prohibited as from Nov. 16 by the Shanghai Municipal Police in accordance with arrangements made with the City Government of Greater Shanghai. Managers of all hotels and lodging houses in the International Settlement were told by the Central Police Station to inform the police promptly if any customers secretly smoke opium in their rooms.

Who's Who in China

Chiang Fu-tsung, librarian; born at Hai-ning, Chekiang, 1898; graduate of the National Peking University in 1924 with B. A. degree (in philosophy): instructor and later lecturer, Tsinghua College (now University) Peiping; sent by the Chekiang Provincial Government to Europe to investigate the library conditions and to pursue further study in library science; graduate of the "Bibliothek-swissenchaftliches Institut," Berlin University and after graduation, spent two years in the German "Preussische Staatsbibliothek" for practtcal experience: member of the National Institute for Compilation and Translation, Nanking; cataloguer of the Sung Po Memorial Library, Peiping; chief of the Chinese Cataloguer Division, National Peiping University, Peiping; now librarian of the National Central Library; address: National Central Library, Ministry of Education, Nanking.



蔣復璁字慰堂
Chiang Fu-tsung (Chiang Wei-tang)

蔣復璁，浙江海寧人，國立北京大學畢業，得學士學位，曾任清華大學教員，後被浙江省政府派赴歐洲考察圖書館情形入德國柏林大學研究圖書館學，畢業後曾在德國國家圖書館實習二年，回國後歷在國立編譯館編輯，北平松坡圖書館編目員，國立北平大學圖書館中文編目員，現在南京中央圖書館主任。通信處：南京中央圖書館。

Sanctions Against Italy—Riots in Cairo Against British

THE two outstanding features of the week's news in connection with the strained relations between Britain and Italy were that the economic sanctions imposed by the League of Nations were put into effect by fifty countries, and that there have been serious riots in Cairo, for almost a week, in protetst against the role played by Britain in Egypt. That these riots have an important bearing on the Italian war against Abyssinia is made manifest by the fact that a *Reuter* telegram from Geneva Nov. 18 stated that the "troublous situation in Egypt seems to have postponed the negotiations between Britain and Italy concerning the Mediterranean." Meanwhile the Italian army is advancing in Abyssinia and thereby endangering Britain's control of the Nile Valley, one of the important points in the policy of Britain vis-a-vis Egypt. The elections in Britain have been overwhelmingly in favor of the Conservative Party, and this will mean that Britain will strengthen its foreign policy.

U.S. Navy to Hold Maneuvers

Large-scale American naval maneuvers, the scene of which is being kept secret by the naval authorities, have been arranged for the near future, it was announced in San Pedro, Nov. 14. A hundred warships and 400 planes will participate. Admiral Harris Lanning will direct the attack and Vice-Admiral Arthur J. Hepburn will be in charge of the defence. A new scheme for protecting American vessels from air attacks will be tried out for the first time.

Italian Note Defends Conquest of Ethiopia as "Liberation"

A note sent to the Nanking Government during the week from Count Bonarelli di Castelbompiano, counsellor of the Italian Embassy in China, asked what action would be taken with reference to the application of sanctions against Italy by the League of Nations.

Defending Italy's current conquest of Ethiopia as a "mission of civilization," the note declared that the non-Amharic elements in the African kingdom are hailing the invaders as liberators. With reference to the League sanctions, the note said, "The procedure adopted in the Italo-Ethiopian conflict, sticking to the letter of the Covenant, has in fact killed its spirit. Governments of many States through rigid and hastened developments have been induced to consider and predispose the application of sanctions against Italy in a co-ordinating conference which is not an organ of the League of Nations and which has proceeded and is proceeding with the same. The individual Governments remain therefore judges, responsible toward Italy, of the bearing of the measures which they will adopt, as well as of their juridical justification."

In the United States Court for China

In re.
Estate
of
ROSS JOHN CORBETT,
Deceased.

Cause No. 3982
Special Proceedings No. 1040
NOTICE
Filed at Shanghai, China, November 8th, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ROSS JOHN CORBETT, deceased, to present the same with vouchers to the undersigned on or before May 16, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Katharine Kenny Corbett,
Special Administratrix,
c/o Standard Oil Co.
Shanghai, China.

Shanghai, China.

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A common ailment which retards many a child's healthy progress is constipation. Often this is only partial and remains unsuspected while parents wonder why their child is backward, weak, listless, irritable, unlike other children of the same age. In such a condition worms are often present, which deprive the child of much of the nourishment he should obtain from the food he eats.

Don't let your child run the risk of constipation, be it ever so slight, when an occasional dose of Baby's Own Tablets will effectively keep him free from any such trouble. These tablets have a mild laxative action, gently cleanse the little one's intestines and expel any worms which may be present.

The prescription of a medical child-specialist, Baby's Own Tablets are pleasant in taste and are guaranteed entirely free from opiates, narcotics and other harmful drugs. For all the various ills attendant upon constipation, such as infantile indigestion, 'wind', colic, upset stomach, biliousness, bad breath, to relieve colds and croup, to correct simple fever and diarrhoea, and to ease the pains of teething, there is nothing better than Baby's Own Tablets, obtainable at chemists everywhere.

74-483

Men and Events

A total of 1,015 prisoners in China were granted special pardons by the Ministry of Justice during the months of August, September and October.

Y. S. Djang, newly appointed Director of the Co-operatives Department of the Ministry of Industries, formally assumed his duties at Nanking Nov. 16.

Dr. Hu Shih, noted Chinese scholar and philosopher and Dean of the College of Art and Science of the Peiping National University, was a visitor to Nanking this week.

Work for the opening of a park was officially started in Hsuchow Nov. 16 at a ceremony attended by a large group of Government officials and representatives of public bodies.

Messrs. A. Hayman and R. Bosshardt, the two missionaries who were captured by the Reds under Ho Lung in Kweichow last autumn, were still alive and well on Nov. 12, according to messages received in Peiping this week.

Preparations are being made by the National Gymnastics Institute for the despatch of a team of Chinese boxers and fencers to Malaya to give exhibitions in order to promote interest among overseas compatriots in the national sports.

The University of Michigan Club held its annual banquet and farewell party to E. S. Cunningham, American Consul General, at the Paramount Ballroom Nov. 8. More than one hundred alumni from Ann Arbor took part in the gathering.

Sutejiro Yamakawa, acting manager of the Shanghai branch of the Mitsubishi Bank, will be appointed to head the London branch of the firm. Giichi Suga, who now heads the London office, will be appointed chief of the foreign exchange department in the bank's main office here.

In compliance with a petition from the Inspectorate-General of Customs, the Ministry of Finance has ordered the creation of the Luichow Customs, near Kwangchouwan, and has placed under its jurisdiction 12 Customs stations and three sub-stations which have hitherto been under the Pakhoi Customs.

Madame Alfred Sze, and Deson Sze, the wife and son of China's Ambassador to Washington were welcomed home at a large party in the Park Hotel Nov. 18. General and Mrs. Linson Dzau and Dr. and Mrs. Y. C. Wen as co-hosts chartered the entire Sky Terrace of the hotel for the evening.

Mr. and Mrs. James Glendenning Wray, who have been making Shanghai their home while Mr. Wray participated in the telephone commission's investigations in Shanghai, sailed for their home in Chicago this week. They are to spend a few days in Japan and a few in Honolulu on the way, hoping to arrive in Chicago on Christmas day.

"Chilly" Vaughn, former C. N. A. C. Pilot on the Hankow-Chungking run, was married at Yokohama Oct. 18 to Miss Elisabeth Barthel of New York City, radio star and singer of blues over the Columbia Network. They will live in Shanghai. Mr. Vaughn now flies the Shanghai-Canton run.

A Chengtu message Nov. 15 stated that in order to expedite the settlement of the boundary question between Maisang and Lapoleng, along the Szechuan-Kansu border, an agreement has been reached between the two Provincial Governments to request the Provisional Headquarters of the President of the Military Affairs Commission to designate additional members to assist in the demarcation of the boundaries.

Prof. J. Preston Maxwell, Head of the Department of Obstetrics and Gynecology of Peiping Union Medical College, gave a series of lectures in Shanghai from Nov. 18 to Nov. 22 under the joint auspices of the National Medical College of Shanghai and the Chinese Medical Association. Prof. Maxwell attended the Chinese Medical Conference in Canton last week.

Mrs. Dagny Carter will sail from Shanghai on November 23 and will stay in Honolulu to lecture at the Art Academy. After a short visit to San Francisco and New York, she will sail for London to attend the Oriental Exhibit, which closes about March 5, and will spend the rest of the year visiting France, the Balkans and the Scandinavian countries, returning to China in the autumn.

Prof. Joseph Bailey, for many years, head of the department of agriculture and forestry at the University of Nanking, committed suicide at Berkeley, Calif, Nov. 15 by shooting himself with a shot-gun. He was 75 years old. He left a note saying that the pain of an incurable disease was responsible for his act. Prof. Bailey became a Presbyterian missionary in China in 1890. He survived the Boxer Rebellion of 1900 and a Manchurian bandit attack in 1918.

J. B. Powell in an address before the American Women's Club in Shanghai Nov. 19 on "Our Choice in the Pacific," said that perhaps another war is necessary before the world, or at least an important section of the world, can decide upon the adoption of civilized methods for adjusting troubles between nations.

Milton D. Purdy, former Judge of the U. S. Court for China, returned to Shanghai Nov. 19 after a three-months trip to the United States.

Mrs. John Darr of Nashville, Tennessee, formerly of Soochow, spent a few days in Shanghai with Mrs. E. T. Nash this week, and Mrs. Nash spent the week-end in Soochow visiting Dr. and Mrs. Snell, the parents of Mrs. Darr.

A reward of $2000 for the apprehension of the murderer of Dr. Susan Waddell Hsu, the American wife of a Chinese resident of Nanking, has been offered by the Nanking police and gendarmerie headquarters, according to advertisements appearing in the Nanking. At the same time a reward of $1000 has been offered for information leading to the arrest of the criminal.

The Ministry of Communications has approved the petition of the Directorate-General of the Postal Remittances and Savings Bank that the six students, despatched by the Directorate-General to study the methods of postal remittances and savings in Austria, be given one more year so that they can proceed to Germany for further study after completing their work in Austria.

Lin Sen, Chairman of the National Government, officiated at the opening ceremony Nov. 17 of an exhibition of modern Belgian paintings being held at the premises of the National Central University at Nanking from Nov. 17-24. The exhibition included 131 famous Belgian paintings. Lo Chia-lun, President of the University, Baron Guillaume, the Belgian Minister, and Lin Tung-shih, of the Ministry of Foreign Affairs, welcomed the guests.

Zung Ping-wei, alias Dr. James Duncan, charged by the police with obtaining from various persons various sums of money prior to August 28 this year by fraudulently representing himself as a medical doctor, was found not guilty by the First Special District Court last week. Zung admitted he had no diploma, but contended he had ten years' experience in his line of work and was as competent as any other qualified doctor.

"Better Homes" Exhibition Attracts Huge Public in Shanghai

The Better Homes Exhibition sponsored by F. C. Millington, of Millington, Limited, held in the former premises of Hall & Holtz, in Shanghai, commenced on November 15, and will continue until Nov. 26. Among the exhibitors were: Chang Yu Pioneer Wine Co., Nu-Enamel, Deutsche Werkstatten, Corbett, Ltd., Scientific Service Co., N. Z. Perpetual Forests, Ltd., Union Brewery, Ltd., Dunlop Rubber Co., (China,) Chee Hsin Pottery, Shanghai Gas Co., Ltd., Sincere's Pharmacy, The Simmons Co., Ching Lun Knitting Co., Willow Pattern Press, National Brewery, Linotype Ltd., Gordon & Co., Pearlstone Porcelain Co., Frost, Bland & Co., Ltd., Shanghai Power Co., Hardvilliers & Co., H. M. Hodges, National Carbon Co., Getz Bros. & Co., Cathay Laundry, Ltd., Geddes Trading & Dailry Farm Co., Ltd., S. H. Levy, Information Office, James Neil's Scotch Bakery, Jardine Matheson & Co., Shanghai Telephone Co., China Soap Co., Ltd., A. Breckwoldt, Jen Li Rug Co., Modern Home, Mayar Silk Mills, Ltd., R. H. Felgate & Co., China Chemical Works, Ltd., Woo Ho Woollen Mills, Ltd., Arts & Crafts, China United Lamp Co., Andersen, Meyer & Co., Ltd., Swetco, Electric & Musical Industries, (China), Ltd., Kwang Sun Yuen, Chung Fu Coal Co., Newmilks, Ltd., Rotary Club Toy Hospital, Whiteaway Laidlaw & Co., Ltd., Shanghai Pet Store, Polyfoto, Melchers & Co.

The exhibition was largely attended and served as an excellent medium not only for impressing the public with the appliances at hand for increasing home comforts, but also demonstrated that the Shanghai public is responsive to up-to-date advertising methods.

Rev. William Paton, I.M.C. Secretary, a Visitor in Shanghai

Rev. William Paton, secretary of the International Mission Council, is at present in Shanghai, where he has been attending meetings of the National Christian Council. Mr. Paton came here after an extensive tour of north China. He commenced his tour following a meeting of the committee of the International Mission Council in Massachusetts. From here he will go on to Hongkong, and, after side calls to Canton and Swatow, thence to Singapore, Java, where he will stay for a week with the Netherlands missions, and Ceylon. Three months of work in India will follow this, and, with a short stay in Egypt, he hopes to be able to return to England about the middle of April.

M. Bogomoloff, Soviet Ambassador, Addresses Pan-Pacific Association

M. Bogomoloff, the Soviet Ambassador to China, was scheduled to deliver an address on "Democracy and Culture in the Soviet Union" at the tiffin of the Pan-Pacific Association held at the Astor House November 22. Dr. C. T. Wang occupied the chair.

150th Anniversary of U.S.-Chinese Trade Is Celebrated in Shanghai

The celebration at the American Club in Shanghai on the night of Nov. 20 to mark the 150th anniversary of the opening of trade between China and America, proved to be a memorable event. About two hundred guests were in attendance. The joint hosts of the evening were the Chinese-American Trade Council and the American Chamber of Commerce. Chang Kia-ngau, president of the former and, Cornell S. Franklin, president of the latter were the presiding hosts.

The Chinese and American flags were displayed by the side of a picture of Dr. Sun Yat-sen. Around the walls were hung prints of clippers ship of early days.

After brief remarks by Mr. Chiang and Mr. Franklin, speeches were made for Dr. H. H. Kung—Dr. Kung was not present but this speech was read by P. T. Chen—by Nelson T. Johnson, U.S. Ambassador to China, Dr. Wellington Koo, and Julean Arnold. Congratulatory messages had been received from U.S. Secretary of State, Hull, Alfred Sze, Chinese Ambassador to the U.S.A., Daniel C. Roper, U.S. Secretary of Commerce, the American-Chinese Trade Council, Mayor Wu Te-chen, and Dr. J. Usang Ly.

Dr. Kung's speech was entitled "America and China." Ambassador Johnson spoke on "The Early Decades of Chinese-American Trade." "The Future of Chinese-American Trade" was the subject of Dr. Wellington Koo's address.

Julean Arnold, U.S. Commercial Attache, in his address stated that the most conspicuous aspect of the 150 years of trade between America and China had been the interest taken by the American people in the education of the Chinese to understand and appreciate American ideas and institutions.

Anti-Japanese Books Are Held by Shanghai District Court

More than a thousand copies of alleged anti-Japanese books were brought to the First Special District Court in Shanghai Nov. 19 and on the application of the police, were ordered to be detained, pending legal proceedings against the book shop proprietors responsible for their publication.

The detained books are of three kinds. One is entitled "Dramas for Pupils of Primary Schools," giving descriptions of scenes of a battle-field near Antung immediately after a war with the troops of certain "imperialists." It is alleged to be anti-Japanese because in one part it contains the sentence "Down with Japanese." The other two kinds are entitled "Song Books" and "Siao Siao Sze Yuan" respectively. They were seized Nov. 18 in four raids conducted by detectives of the Central, Sinza, and Louza Stations.

New Engineering Preference Shareholders Reject Arnhold Proposal

The preference shareholders of the New Engineering Works, Ltd, at a meeting in Shanghai Nov. 20, overwhelmingly rejected a proposal put forward by H. E. Arnhold of Arnhold & Co. Ltd., general manager of the Works, on behalf of the ordinary shareholders, to have the Works amalgamate with the Shanghai Dock. The plan envisaged that preference holders should give up their priority rights under terms which one of speakers described as an "impudence." It was the first occasion in the history of Shanghai that a proposal sponsored by H. E. Arnhold, who is Chairman of the Shanghai Municipal Council, has been defeated.

Pan-Pacific Association of Shanghai Holds First Formal Ball

The Pan-Pacific Association of Shanghai held its first formal ball Nov. 15 under most auspicious circumstances. About 900 guests were present to witness a presentation of Schumann's "Carnaval" by the International Arts Theater. The master of ceremonies was George A. Fitch. The music was in charge of Mrs. A. J. Hughes and E. Blum. The choreography and direction of the ballet was by Miss Deta Tenger (Mrs. E. Blum) The patrons were Dr. and Mme H. H. Kung, Mayor and Mme. Wu Te-chen; Dr. and Mme. C. T. Wang and Dr. Anne Walter Fearn.

British Political Officer Dies in Tibetan Capital

The death in occurred at Lhasa, Thibet, Nov. 17 at the age of 44 of Frederick Williamson, British Political Officer in Sikkim, Bhutan, since 1933. Mr. Williamson died of chronic uraemia in the Tibetan, where he went at the invitation of the Tibetan Government capital to negotiate a settlement between the Government and the Panchen Lama, spiritual leader of Tibet.

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New Books of Interest in the Far East

A Standard Work on Japan's Relations to League of Nations

The Sino-Japanese Controversy and The League of Nations, by Westel W. Willoughby; The Johns Hopkins Press, Baltimore, 1935; G.$5.00.

This important book undoubtedly ranks as the standard work on the Sino-Japanese question in relation to the League of Nations. It is published at a particularly pertinent time, now that Mussolini, encouraged by the League's gentle handling of Japan, has embarked upon a similar undeclared war in Abyssinia, and Japan brazenly accelerates the course fo her "manifest destiny" with equally open disrespect of that once-august body. The concluding paragraphs of the book are of especial interest to the Chinese at this critical time, with Japan taking advantage of the European situation to precipitate an acknowledgment, if not an open official recognition, of her gains of empire, not only in "Manchukuo" but in North China as well. Dr. Willoughby states:

"It is true that it does not appear likely that the League will take further action in the near future . . . but no one can tell what the more distant years will bring forth.

"It is therefore to be expected that China will take care not to commit herself to any action, such, for example, as the formal recognition of Manchukuo, that will prejudice or render impossible the correction of the present situation in Manchuria in accordance with the principles declared . . . by the Lytton Commission."

There is evidence that Japan and her advisers do not welcome the appearance of Dr. Willoughby's ably presented brief for China at this particular moment; in fact they appear positively jittery in the fear that it may be not without influence in waking the League up to its responsibilities in Asia as well as in Africa, if only to preserve its own existence. "Sanctions" is a magic word, witness the recent crocodile tears poor little Mussolini has been weeping over Poor Butterfly Japan—both so outrageously deserted by the League in their hour of need!

The book is in two parts. The first half is an objective account of the handling of the controversy by the League, and it is a fairly complete sourcebook for all the documentary material presented by both sides. (The appendices include also the Covenant of the League of Nations, the Washington Nine Power Treaty, the Paris Peace Pact, and the Assembly Report on the Sino-Japanese Dispute, for reference.) The second part deals with the more important legal points involved. The book also reviews the American position in the controversy and in general gives a picture of the international issues which have arisen out of the situation created by the events following the Manchurian Incident of 1931.

Although the *de jure* nature of the case is rapidly paling into the academic polemics of mere shadow-boxing over the meaning of words beside the harsh bloody *de facto* realities of the situation, Dr. Willoughby's statement of the questions of international law and post-war League jurisprudence involved is invaluable. If any question as to the "legal justice" of Japan's conquest of China still remains in the minds of students of "lawful international relations" this volume will effectively clear up most of the fuzzy technicalities of the matter. Needless to say the book is a well-documented, well-written, logical treatise in the best tradition of American scholarship—even to the writer's frank condemantion of the League's roundabout "escape" mechanism which has been in operation to avoid an open facing of the issue, as well as Japan's sly hiding behing empty diplomatic phrases. Probably, many of the silk-hatted lawyers of the "realistic" school of statesmen at Geneva will say of Dr. Willoughby's moral position in demanding "Justice" for China, as Clemenceau remarked drily of Wilson's evangelistic insistence upon his idealistic Twelve Points at Versailles: "He's worse than Jesus Christ himself by two points. Jesus only insisted on Ten Commandments."

In the last chapter, "Some Concluding Reflections", the author makes several pertinent remarks on the League:

"The essential reason for the failure to arrest the progress of Japan's aggressions in Eastern Asia, was, then, the unwillingness to support energetic and affirmative action in the premises on the part of those States upon whom would fall the burden of action . . . These States, it scarcely needs to be said, were Great Britain and France. As between these two it is difficult to say which was the more determined in its unwillingness, but . . . Great Britain appeated to the world as the State chiefly responsible for the League's failure to take energetic and affirmative action." (P.661)

"Shortly stated, then, the essential fact revealed by the history of the Sino-Japanese controversy before the League was not any unsuspected organic weakness or defect of the League, but the unwillingness of those Members of the League, whose vioces were controlling, to live up to the obligations assumed by them as Members." (p. 662.)

Dr. Willoughby is at heart "concerned with the general problem of securing the adjustment of conflicting national interests or policies by orderly and peaceful processes"—rather an optmistic 19th century liberal viewpoint that is rapidly becoming antiquated by the inveitable developing processes inherent in a world of intensified conflict. Whether the "Dynamic nations" can be held in leash by the legal machinery put up by those interested in maintaining the *status quo*, is a question that is being answered by bombs and bullets instead of foolscap documents, signed and sealed.

Dr. Willoughby, professor of Political Science at Johns Hopkins Univeristy, has long been connected with the Chinese Government as adviser in different situations. He was Adviser to the Chinese Delegation to the League in 1931 and since then has been Counsel to the Chinese Embassy in Washington. As he states in the preface his personal sympathies "have, throughout the controversy, been strongly with the Chinese." However, *because* of this he has been painfully objective in the presentation of his material in the present volume, even to the point of wasting a good deal of space on recording at length the most inane dip.omatic phrasings of the Japanese. No one can doubt the fundamental intellectual integrity of Dr. Willoughby, or that his convictons grow out of a scholarly and impartial weighing of the evidence at hand. In fact, his judgments on the merits of the case are remarkable for their understatement. His official connections with the Chinese have, in fact, been useful in providing special materials for his studies and in giving him an intimate personal knowlege of the whole situation such as few students of Sino-Japanese relations have been privileged to acquire. The impression of the reviewer in reading his volume is that it presents with clarity and inescapable logic a simple proposition: The Leauge can no longer ignore its moral obligation to act, as well as to condemn in words, if it is to justify its existence,and the side on which action should be taken in the Sino-Japanese controversy is clear. H.F.S.

Weighty German Books on World Economy

Weltwirtschaftliches Archiv, Zeitschrift des Instituts fur Weltwirtschaft an der Universitat Kiel, 42.Bd. Heft 2, Verlag von Gustav Fischer, Jena, September 1935.

The world economic archieves are edited by the well-known research institution of Kiel university and appear six times yearly. They give a practically complete survey of all books and movements pertaining to economics in all important countries, but apparently with the exception of Russia. Economics in the interpretation of the archives rightly include parts of Law, Politics, Social Science and special branches too numerous to mention, thus securing a really broad outlook. A fair number of book reviews (and also some articles) are done by non-German scholars and reproduced either in German or in English. Each article is completed by short summaries in English, French and Spanish.

The chief articles are of no special interest to the reader in China, as they treat highly specialised problems. It is regrettable that lucidity of style is generally not among the merits of the archives and some phrases are thoroughly unintelligible even to a student of economics whose native language is German.

Generally the reports and the book reviews seem to be much better done than the articles. Of special interest to readers in the Far East is a report on Japanese export organizations. The comparatively new export associations appear to be very powerful. With the permission or under an order of the minister of industry and commerce they can even go so far as to stop the exportation of a given product entirely and in this way force foreign countries to adopt a policy sufficiently favorable to Japanese imports. The author of the report is convinced that due to the great crisis with its annihilation of purchasing power in many countries Japanese products cannot be replaced, as they are the only ones which people with very limited means are able to buy. In 1934 the list of important export goods consisted of 48 commodities, of which 25 were under the administration of export organisations. As there can be and frequently are several associations for the same commodity, their actual number was much higher.

The book review reveals that an ever-increasing number of books seems to be devoted to highly specialized fields such as: "Die Geschichte der Augsburger Postzeitung bis zum Jahre 1838" (History of the Post newspaper of Augsburg until 1838), "Die Legalitat der nationalsozialistischen Revolution" (The legality of the nationalsocialist revolution), "Herstellung und Eigenschaften der Kunstseide und Stapelfaser" (production and properties of artificial silk and staple fibre), "Die Kontigentierung der deutschen Zuckerwirtschaft" (contingents in German sugar business).

If one helds the reviews to be reliable—and there is no reason to doubt their reliability—a fair number of books on more general matters appear to be products of tremendous strides for a further successful development of human stupidity. Some American student, according to Lin Yu-tang, once wrote a dissertation on icecream culminating in the happy conclusion that "the primary function of sugar (in the manufacture of icecream) is to sweeten it." Such achievements of modern science are by no means exceptional and often they are even less realistic. The archives contain a remarkable review on "Agrarianism," a book by Professor Troy J. Cauley. "Agrarianism" is, at least according to the author, the only solution of our troubles and will relieve us both of the shortcomings of capitalism and socialism. A book of Friedrich Burgdorfer on "Volk ohne Jugend" (Folk without youth) seems to be equally amazing. According to the review it ends up by "purifying" the German population statistics. Naturally the "purified" statistics show a deficit of population increase compared with the considerable surplus of birthrate over mortality

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that the official "raw" statistics reveal. Incidentally Germany has about the same population now as she had before the war. The birthrate was high enough to make up for the population of lost territories and war-losses.

A review on "A Reconnaissance Geography of Japan" by Glenn Thomas Trewartha and another one on a book on the Japanese fishing industry are of interest to Far Eastern readers.

As a whole, the present state of economics as reflected through the archives can hardly be called any better than the general state of world affairs. One finishes reading in a mood of bewilderment. Obviously there is not the slightest cooperation between the various scholars; there appears to be very little serious study of fundamentals at present, and specialisation runs amuck.

A. J.

Lin Yu-ting's "My Country and My People" Gets Favorable Reception in U.S.

The book, "My Country and My People," written by Dr. Lin Yu-ting, portions of which originally appeared in the *China Critic*, of which he is a contributing editor, is receiving a very favorable reception in the United States. The book was published seevral months ago by the John Day Press of New York City. The literary editor of the *New Yorker*, in apologizing for a previous inadequate reference to the book later said he hoped "the oriental courtesy of Lin Yu-tang will help him to excuse the summary treatment accorded to his fascinating volume." Typical of the opinion expressed about Mr. Lin's book was that of Nationel Peffer, who said that it was "the best bok on China in the English language," and recommended it for its "true and sensitively perceived picture of China and its acute insight into Occidental institutions, ideas and ways of life." In an illustrated page review in the *New York Sunday Herald-Tribune* "Books", Carl Van Doren, editor of "An Anthology of World Prose," professor of English literature at Columbia University and dean of American literary critics, found Mr. Lin's style "flawless, surely the best press any Chinese has ever written." He noted with approval that the temper was not invariably suave—"now and then the writer—with how good cause!—shows a momentary resentment at what Europe and America have done for China."

"Catholic Review" Publishes Account of Encharistic Congress

The Nov. 14 issue of the *Catholic Review*, published in the Glen Line Building, Shanghai, contains an interesting account of the American Eucharistic Congress in Cleveland, Ohio, held Sept. 23-26.

Italian Author Says Abyssinia Is Last Stronghold of Slavery

"The Last Stronghold of Slavery—What Abyssinia Is" is the title of a 90-page brochure issued from the "Novissima" Press in Rome, copies of which are available at the Italian Consulate General in Shanghai. The author, G. C. Baravelli, says that the ownership of slaves is legally guaranteed in Abyssinia; the authorities undertake to hunt for an escaped slave, and once he is found, hand him over to his master. Harborers of escaped slaves are condemned to pay a fine equivalent to the price of the slave, doubled into the bargain. The price of slaves varies according to the sex, age, stature, strength and beauty. Here is a list of current prices: Virgin girl, from $190 to 250; boy, from $80 to $250; emasculated boy, from $125 to $230; adult woman, from $130 to $220; adult man, from $150 to $250. (The dollars are Maria Theresa dollars of about the same value as the Chinese silver dollar).

The author further says that the imperial edicts which decree the abolition of slavery have never had any results up till the present; the confirmation of this is given by the fact that these same edicts are renewed every few years or so, for the purpose of deceiving the European powers.

It is the author's contention that to a large part of the population the advent of the Italian Army will be a blessing and that when once the Italian mission is understood by the populace the Italian overlordship will be welcomed.

Bross Foundation Competition Offers Prize of U. S. $15,000

An international literary competition, with a cash prize of $15,000, was announced Oct. 26 by Herbert McComb Moore, President of Lake Forest (Ill.) College. The prize will be awarded under the Bross Foundation established at Lake Forest College in 1879 by William Bross in memory of his son, Natianiel. Known as the Bross Prize, the award is given for the best book or manuscript heretofore unpublished on the connection, relation and mutual bearing of the humanities, the social sciences, the physical sciences, the biological sciences, or any branch of knowledge with and on the Christian religion. The award will be made on January 1, 1940.

In the United States Court for China

In re.
Last Will and Testament
of
STELLA RELYEA
Deceased

Cause No. 3981
Special Proceedings
No. 1043
NOTICE
Filed at Shanghai, China,
November 20, 1935.
William T. Collins, Clerk.
Kenake,st. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of STELLA RELYEA, deceased, to present the same with vouchers to the undersigned on or before May 23rd, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

ETHEL L. HYLBERT,
EXECUTRIX
c/o Mission Treasurers.
169 Yuen Ming Yuen Road,
Shanghai.

Shanghai, China,
November 20, 1935.

The Only English Language Daily and Weekly Newspaper of Peiping.

The Peiping Chronicle

Presents news impartially and promptly, interprets current events in a sane and liberal spirit, and editorially supports progressive and constructive policies, and also serves as the best medium for advertising in North China.

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Pamphlets of interest in China bearing the subjects of "Tibet under The Dalai Lama," "The New Life Movement," "Confucius and Present-Day China," "The Buddhist Cave Temples at Yun-Kang," "Guide to Peking," etc., etc., are on sale at:

THE PEIPING CHRONICLE

2, Mei Cha Hutung, Peiping, China
Teleg. Address: "Chronicle"

JAPANESE CONTINUE TO PUT OBSTACLES IN THE PATH OF CHINA'S MONETARY PROGRAM

(*Continued from page 416*)

Finance with the task of accepting silver dollars from the public in exchange for notes of the Central Bank.

Anhwei to Have Local Bank

Upon a request of the Anhwei Provincial Government, the Ministry of Finance has authorised the establishment of an Anhwei Local Bank at Anking, the provincial capital. The new bank will be capitalized at $2,000,000 to be jointly borne by the Provincial Government and private interests.

Two native banks closed in Kaifeng, Nov. 15, because of financial stringency.

Kwangtung $5,000,000 Reconstruction Bonds to Be Issued in Shanghai

All preparations for the issuance of the Kwangtung $5,000,000 Reconstruction Bond of 1935, have been completed. The bonds will be issued on December 1, in Shanghai. The proceeds will be used for the building of hydro-electric works, a steel plant, and other industrial works in Kwangtung province.

Native Banks to Be Registered

Registration of native banks in the various provinces and municipalities has been ordered by the Ministry of Finance in accordance with the regulations governing the registration of banking institutions. A communication to this effect has been dispatched by the Ministry to the various Provincial and Municipal Governments, requesting their assistance in the enforcement of the decision.

Thirty-four Miscellaneous Taxes to Be Abolished in Hopei

The Hopei Provincial Government has decided to abolish 34 additional miscellaneous levies now being enforced in the province, yielding an annual income of about $20,000. The Finance Department of the Hopei Provincial Government has already notified the Hopei Provincial Tax Supervisory Committee of the decision, which is expected to be carried out in the near future.

Four Native Banks in Peiping Close Doors

Because of the serious financial stringency, four native banks closed in Peiping, November 7. They were the Chienhsin, Chienho, Tsinchunyuan, and Yichen native banks.

Chung Hsin Company Will Have Its Head Office in Shanghai

The Chung Hsin Company, to be organized by the Japanese Kwantung Army and the South Manchuria Railway Company, will have its head office in Shanghai, according to Japanese sources. Branch offices will be established at Dairen, Tientsin, Peiping, and other imporant cities of China. The company will develop China economically, paying special attention to the opening of iron, coal, antimony mines, and oil fields, the building of railways, and the establishment of shipping lines.

Exports of Cotton Yarn to Japan Are Given Fillip by Low Exchange Rate

Exports of cotton yarn from China to Japan took a sudden jump since the promulgation of financial reforms by the Nanking Government on Nov. 3. Other products have not much been affected by the change in the exchange rate owing to the uncertainty of Sino-Japanese relations and the inadequacy of Chinese communications from the interior.

Branches of Currency Reserve Board Established in Outports

In accordance with its original plans for the purpose of effectually controlling the note issue and consolidating the cred it of legal tender notes, the Ministry of Finance announces that, in addition to the Currency Reserve Board in Shanghai, branch boards will be established in Tientsin, Hankow and Canton. These three branch organs will exercise jurisdiction respectively over the Yellow, Yangtsze and Pearl River Valley areas.

The members for Tientsin and Hankow have already been appointed and the regulations governing the organization of the Branch Boards will be promulgated shortly.

The Tientsin Branch of the Currency Reserve Board consists of the following 19 members:—

Chou Tso-min, President of the Kincheng Banking Corporation, Chairman; Wu Ta-chuan, General Manager of the Joint Savings Society of Yien Yieh, Continental, Kincheng, China & South Sea Banks; Wang Ko-min, formerly acting Chairman of the defunct Peiping Political Affairs Readjustment Committee and a former Minister of Finance in the Peking regime; Pien Pei-mei (Z. S. Bien), Manaer of the Tientsin branch of the Bank of China; Li Ta, Manager of the Tientsin branch of the Central Bank of China; Chung Ao (P. N. Chung), Manager of the Tientsin branch of the Bank of Communications; Wang Men-chung, Manager of the Tientsin branch of the China & South Sea Bank; Pien Yen-hou, Manager of the Tientsin branch of the Manufacturers' Bank of China; Wang Hsiao-yen, Chairman of the Tiensin Chinese Bankers' Joint Treasury; Wu Hsiang-chen, Wang I-ling, Pien Shu-cheng, Wang Shao-hsien, Leng Chia-chi, Chi Hua, Tsou Chuan-sung, Yao Tse-sheng, Hsu Han-ching and Han Han-cheng.

The following 10 members constitute the Hankow Branch of the Currency Reserve Board:—

Hsi Te-ping Chairman; Huang Wen-chih, Chairman of the Board of Directors of the Dah Foo Commercial and Savings Bank; Pu Hsin-ya, Manager of the Hankow branch of the Bank of Communications; Chao Tsu-wu, Manager of the Hankow branch of the Bank of China; Nan Kuei, General Manager of the Hupeh Provincial Bank; Hsu Chih-kuan, Acting Manager of the Hankow branch of the Central Bank of China; Hsu Chi-chuang, General Manager of the Farmers' Bank of China; Chou Tsang-po, Manager of the Hankow branch of the Shanghai Commercial & Savings Bank; Liang Chun-hua, Manager of Hankow branch of the Manufacturers Bank of China; and Tan Kung-Yuan.

Japanese Consular Police Watch for Smugglers

Japanese Consular Police are sent to each outgoing ship from Shanghai to watch for silver smugglers of Japanese nationality, enquiry at the Japanese Consulate reveals. Previous reports that the when Japanese are caught with silver they are merely taken to their Consulate and then released together with the silver that they had in their possession were later amended to the effect that, although Japanese law provides no punishment for smugglers of silver, effective steps were taken to put a damper on smuggling activities by Japanese as, when they are arrested and silver is found on them, they are compelled to give up the silver and exchange it at the Yokohama Specie Bank for bank notes on a parity basis. Japanese were reported to be going around offering $1.25 in notes per silver dollar.

Two Chinese were taken into custody by the Bureau of Public Safety Nov. 19 on the charge of having collected silver dollars from exchange shops with the intent of smuggling them from Shanghai. The arrests were made in the extra-Settlement roads in the Western district. One of the accused was found in posession of $33 in siver dollars, six 10-cent pieces, $1 in subsidiary notes and 26 coppers. According to a recent regulation promulgated by the Ministry of Finance attempts at smuggling silver dollars will be punished under the Provisional Regulations Governing Offenses Endangering the National Currency.

Sir Frederick Leith-Ross Conducts Investigations in North China

Sir Frederlick Leith-Ross, Chief Economic Advisor to the British Government now on an economic inquiry mission in China, proceeded to North China this week to continue his investigations. He has not yet decided on a definite date for return to England.

The Shanghai *Nippo* Nov. 16 said:—In accordance with instructions from Tokyo, Mr. Ariyoshi has informed Sir Frederick Leith-Ross that the Japanese Government will reject the proposal from Great Britain in regard to a joint loan to China. "The loan," he continued, "will lead to a further economic crisis in China."

Japanese War Minister Asks Tada to Act Cautiously

Instructions to act cautiously as regards the situation that may arise if the Nanking Government's decree on the nationalization of silver results in a clash between the North China authorities and the Central administration were sent by Gen. Yoshiuki Kawashima, War Minister, to Maj.-Gen. Hayao Tada, Commander of the Japanese forces in North China. Nov. 15.

The Tokyo *Asahi* Nov. 11 said that as import control may give Japan's China trade serious consequences, depending on measures to be taken but if the Nanking Government carries out unjust measures forcibly to menace Japan's great interests, the Japanese Government is decided to take the policy of checking such a situation with effective and proper counter-measures immediately.

T.-P. Railway Forbidden to Transport Silver South

In accordance with the instructions issued by General Sung Cheh-yuan, the traffic of the Tientsin-Pukow Railway was suspended at Tehchow on the border of Hopei and Shantung, Nov. 14. This is one of the steps being taken by the authorities to prohibit the removal of silver to the South.

Foreign Cable Rates Go Up 25 Percent

One of the results of the withdrawal of silver currency was that the rates for foreign telegrams were increased. The regular rate from Shanghai to New York, is now $5.15 a word; $4.30 to San Francisco, and correspondingly to all other points.—this being an increase of about 25 percent from previous rates.

This is but one of many increases being but into effect because of the new rates for foreign exchange.